

Franklin District Council Community Plan 2009 - 2019

WORKING TOGETHER FOR OUR FUTURE

VOLUME 2



Rural fire force and community volunteers, the Mayor and Principal Rural Fire Officer at the groundbreaking for the new Hunua Fire Station.

CONTENTS

Revenue and Financing Policy	3
Treasury Risk Management Policy	13
Rating Policies	21
Fees and Charges	33
Policy on Development or Financial Contributions	51
Activities and Services (Intervention) Policy 2008	89
Significance Policy	91
Partnerships Policy	95
Waste Management Plan 2006	97
Water and Sanitary Services Assessments (Executive Summary)	99

REVENUE AND FINANCING POLICY

The Revenue and Financing Policy (Policy) contains Council's policies with respect to the funding of operating expenditure and capital expenditure from various revenue sources as required by Section 103 of the Local Government Act.

Section 101 (3) of the Local Government Act 2002 (LGA) sets out the requirements Council must consider as part of the development of the policy. The following sections demonstrate how Council has gone through the steps as required in Section 101(3).

STEP ONE: ALLOCATION OF PUBLIC/PRIVATE GOOD

The first step (Section 101(3)(a) requires consideration, at activity level, of each of the following:

- community outcomes - the community outcomes to which the activity primarily contributes (in other words your rationale for service delivery)
- the user/beneficiary pays principle – the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
- the intergenerational equity principle – the period in or over which those benefits are expected to accrue
- the exacerbator pays principle – the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity, and
- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Council has considered each Activity in respect of each of these matters, and these considerations are summarised in the table at the end of the Policy. The costs of the Corporate Support Activity are recovered by charging overheads to users of the Activity. No allocation of public/private good is required.

i. Community Outcomes

The requirement to consider community outcomes in the funding process is seen as an obligation for Council to consider why it is engaged in an activity and to what level. To that extent, possible funding of activities should be consistent with achievement of desired outcomes.

ii. Distribution of Benefits

At this stage, Council is required to consider who benefits from the activities performed by Council. This is expressed as the Public/Private split. Economic theory suggests there are two main characteristics that need to be considered when looking at a particular good or service:

Rivalry in Consumption - good is a rival in consumption if one person's consumption of the good or service prevents others from doing so, eg a chocolate bar is a good with a large degree of rivalry in consumption, ie if Bill eats it, Jane cannot.

Excludability - good or service is excludable if a person can be prevented from consuming the good or service, eg if Bill does not buy a movie ticket, then the usher can exclude him by preventing him from entering the theatre.

At one end of the continuum there are so-called 'public goods'. These are goods which are both non-rival and non-excludable, ie everyone can consume them and no one can be prevented from consuming them if they wish. A good example of a public good is national defence, where the whole community is protected from an invasion by the armed forces whether it wishes to be or not, and this protection cannot be removed from anyone in New Zealand.

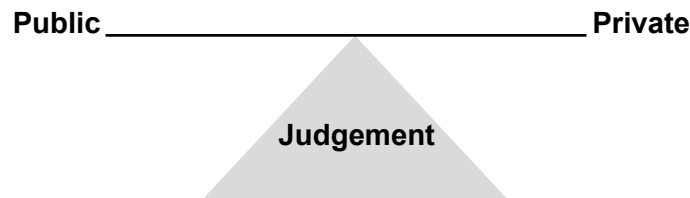
At the other end of the continuum are 'private goods' which are both rival and excludable. Most daily consumables are private goods.

Very few goods and services are entirely public goods or private goods. Most goods and services are 'mixed goods' and fall somewhere between the two ends of the continuum.

The characteristics of a good or service determine what type of funding mechanism might be used to fund a particular service. Council has already made judgements about what it considers are public goods when deciding whether or not to undertake a particular activity.

For example, a good towards the public end of the continuum may not be a good candidate for user charges as people cannot be prevented from consuming it, or because everyone consumes it whether they wish to or not. Such goods will generally be candidates for funding from some general source such as a general rate. A good towards the private end of the spectrum may be a candidate for a targeted rate or a user charge.

In the end, it is likely to come down to 'reasonable' judgement. Both the LGA and previous case law place the responsibility on elected members to make decisions about who benefits and who should pay.



iii. Distribution of Benefits Over Time

Council needs to consider something called 'intergenerational equity' which means that funding decisions are required to consider future generations, not just today. On the one hand, current ratepayers should not be expected to fund the benefits that future ratepayers will receive and on the other hand future ratepayers should not be deprived of benefits that the current ratepayer expects to receive today.

One way that Council applies the intergeneration equity principle is by spreading costs over the future. Council will typically borrow to fund the cost of a project and future ratepayers will repay the loan (and interest cost), say over a 25 year period. Council typically only borrows to fund capital expenditure but Council may use short term borrowing to spread some operating costs to ensure the correct allocation of benefit.

Council also needs to ensure that appropriate funding has been allocated to reasonably meet the levels of service that each activity is targeting, and that financial sustainability into the future has been considered.

iv. Actions or Inactions of Individuals or Groups

This generally refers to how to make the 'exacerbators' pay. This could include funding mechanisms to allow for the fining of people that cause unwanted Council activity, eg cleaning up abandoned cars or rubbish. However, Council has very limited funding mechanisms to enable targeted charging and, in many cases, it is not possible to pass this cost on to the exacerbator and, therefore, it becomes more a case of identifying the quantum of the issue and deciding who then should bear the cost, if not the exacerbator.

v. Costs, Benefits and Separate Funding

Council is required to consider whether an activity should be separately funded and what the cost implications might be. There are administration costs associated with separate funding and these need to be weighed against any benefits of targeting specific beneficiaries/users of a service, including transparency and accountability.

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

However, funding every activity this way would be extremely complex. For some activities, the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative costs and lack of significance lead Council to fund a number of activities by way of a general rate. To aid in transparency and accountability, Council separates the total general rate into reasonable activity breakdowns when presenting the ratepayer with their rates assessment notices. This then allows the ratepayer to make some form of meaningful assessment down to activity level.

STEP TWO: SELECTION OF FUNDING TOOLS

Section 103(1) requires Council to identify the funding of operational expenditure and capital expenditure and Section 103 (2) LGA requires Council to identify its funding tools from the list below.

Operational expenditure is normally funded by way of revenue (income) while capital expenditure can be funded by way of both revenue and non-revenue items such as borrowings and the use of Council created reserves.

Expenditure is considered to be capital expenditure when the benefit of that expenditure is greater than one year and therefore benefits obtained by those assets spread according to the life of the asset.

A number of tools can be used to allocate both public and private good. The use of targeted rates is a good example of this. An activity with a very high percentage of public good, normally attracting a general rate funding tool, can also be allocated over a small geographical area. An appropriate tool to recover the expenditure in this case could be through the use of a targeted rate. Therefore in this instance a targeted rate is used to recover a public good.

However targeted rates can be also used to recover a private good such as use of water from a closed network. In this case, Council can restrict people using that network by requiring them to formally join to it and the users are then charged the appropriate fee(s).

Revenue sources

General Rates

Including Uniform Annual General Charge (UAGC). This is usually used to recover public good.

Franklin District uses Capital Value for the application of its general rate.

Targeted rates:

Any other rate which includes:

- a) Uniform Annual Charges,
- b) rate set on a differential on value,
- c) rates set over at area of benefit and
- d) rates for a service or for an activity.

This can be used for both private good and public good.

Lump sum contributions:

For the targeted recovery of specific capital expenditure, which would otherwise be loan funded (optional for ratepayer).

This must have a high component of private good.

Fees and charges:

Any fee, recovery, fine or charge made by Council for service or activity.

This must have a high component of private good

Interest and dividends from investments:

Income from an investment

This would generally be public good.

Development contributions:

This is used to recover the growth component of capital expenditure from developments. Council has a Development Contributions Policy which explains the application and the levying of these fees.

This must have a high component of private good.

Financial contributions under the Resource Management Act 1991:

This is used to recover costs to mitigate the effects of growth.

This must have a high component of private good.

Grants and subsidies:

Income from external funding entity.

These generally would be of a public good.

Non-revenue sources

Borrowing:

Loans, both short term and long term

This is a funding tool that can be used for both public and private goods as it only defers and spreads the eventual charge over numerous annual periods.

Proceeds from asset sales:

This would only need to be recognized where an asset was being sold and not replaced with a similar asset, for example where the proceeds from the sale of corporate property were used to fund another activity.

Again this is a funding tool.

Council Created reserves

Council-created cash reserves result from either:

- a) surplus revenues over expenditure being held for a particular purpose or
- b) revenue retention for non-cash expenditure (e.g. depreciation).

STEP THREE:

ASSESSMENT OF IMPACTS

The purpose of this step is to consider the overall impact of using the funding tools identified in step two and to consider the effect on the current social, economic, environmental and cultural well-being of the community. As part of this process council considered the rating impact of their decisions on 33 representative properties of the district. The requirements for this step are set out in section 101(3)(b) of the Local Government Act:

- The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—
 - o (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

In addition to the funding tools set out in step two, Council has proposed a number of rating and postponement policies. In developing these policies Council has considered the overall impact on the community and the long-term objectives of the district.

Using the financial information (including debt levels) and taking into account the impact on the 33 representative properties of the district, Council considered the four well-beings as outlined below.

Social

When the allocations of the benefits were considered, items of a social or recreational value were funded by way of general rate to ensure access for these facilities across all members of the community.

Council has considered the rating impact on sporting and cultural groups and has developed remission and postponement policies to mitigate the impact of certain rates against those organisations.

Council also identified residential ratepayers that have high value properties but have low incomes and has introduced a postponement policy to reduce the impact on those ratepayers. It also acknowledges the role of central government with its rates rebate scheme.

Economic

One of the significant items of expenditure is economic development and Town Centre improvement. In considering its tools Council identified the economic benefit both to the businesses and to the greater community of continuing to invest in economic initiatives. Council determined that it was necessary to have a vibrant economic base and that thriving Town Centres benefits both local and district-wide communities.

Impact of high value properties. Council considered this in two distinct ways. The first was in addressing the public good of the stormwater activity, Council moved this from being charged through a rate in the dollar to a uniform annual charge. The rationale for this was that the public good for stormwater is common to each property across the District, and is therefore more closely aligned to each property than to the capital value of that property. The other consideration was in the setting of the Uniform Annual General Charge (UAGC).

This is discussed below in a separate section headed Level of UAGC.

Consideration of the current incidence of rating. Council is aware that any change to the level of uniform annual charges and UAGC results in changing the incidence of rating. This is where there can be a transfer of total rates paid from high-value properties to lower value properties, or vice versa, depending on the total uniform annual charges levied. Council considers that the incidence of rating in this LTCCP 2009-19 provides a fair balance between the different sectors of the community.

Environmental

By identifying exacerbators Council will recover, where possible, costs against those who pollute the environment. This includes targeted rates for waste water, refuse collection and stormwater. It also identified that there is a public good element in maintaining a clean environment and therefore a proportion of these costs are funded from general rates.

Cultural well-being of the community

Council has considered the rural character and well-being of the Franklin District in determining the mix of funding tools. In order to support the retention of productive agricultural land, as well as supporting local urban development, Council is proposing a mix of rates postponement policies.

In addition, to preserve the cultural value of Maori land, Council has developed a Policy on the rates remission and postponement of multiple owned Maori land.

METHOD OF RATING

The general rate which is predominantly used to recover activities with a higher public good can be recovered in one of three ways:

- capital value rating
- land value rating
- the annual value of land

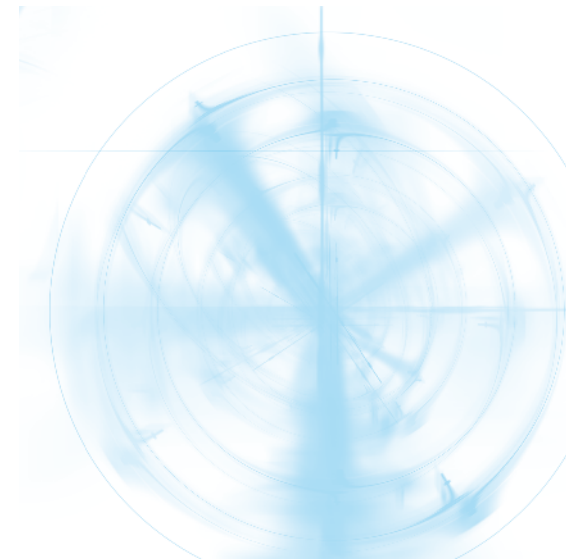
Council believes that the capital value rating system is the most appropriate for the district because (with some exceptions) the combination of land value and improvement value best reflects each property's potential use of Council infrastructure and services. Examples of this include: residential sections side by side, one with a house and the other undeveloped would pay the same general and roading rates if land value was used. The developed property will pay more if capital value is used, based on greater use of council services. The same applies to farm land where an intensive capital development (e.g. poultry, glass house, pigs) would result in higher use of Council infrastructure such as roads and other services. Using land value, these costs would not be reflected in the comparative rating costs.

Capital development on business land is also an indicator of potential staff numbers and traffic flow that the property is likely to accommodate and generate.

Notable exceptions in the rural area are market gardening properties with no capital development and in business zones transport yards with no capital development. However these are considered to be relatively minor.

Level of UAGC

One of the major pieces of work in preparing for the LTCCP 2009-19 has been a review of the Revenue and Finance Policy and in particular the perceived inequities in the Stormwater funding policy. The LTCCP 2009-19 contains a revised Stormwater funding policy which allows collection of the public portion of the Stormwater activity funding through use of a UAC for collection and treatment- thus charging all properties in the District the same amount for the public good portion of the Council's activity.



Activity	Community Outcomes	Proposed		Rationale	user/ beneficiary pays principle	inter- generational equity principle	exacerbator pays	costs and benefits	Funding Sources	
		Private	Public						Operational	Capital
STRATEGIC PLANNING AND POLICY										
Strategic Planning	Well-managed growth; cultural, social, inclusive outcome; and to the educated and enabled community	0%	100%	The cost of this activity benefits the community as a whole	Nil	Nil	L	L	General rates	Nil
Policy		0%	100%	The cost of this activity benefits the community as a whole	Nil	Nil	L	L	General rates	Nil
Regional Initiatives		0%	100%	The cost of this activity benefits the community as a whole	Nil	Nil	L	L	General rates	Nil
Resource Management Policy		0% -10%	90% -100%	The cost of this activity is largely a benefit to the community as a whole as the District Plan applies to all land. Any private plan costs will be charged directly to the applicants	L	Nil	L	L	General rates and Fees	Nil
REPRESENTATION										
Council	Well-managed growth; cultural, social, inclusive outcome; and to the educated and enabled community	0%	100%	No benefits are seen to flow to any individual or identifiable part of the community other than those that flow to the community as a whole.	Nil	Nil	Nil	Nil	General Rates	Nil
Community Boards		0%	100%	Benefits local communities and therefore targeted funding applies	Nil	Nil	Nil	Nil	Targeted Rates over Area of Benefit	Nil
Maori		0%	100%	No benefits are seen to flow to any individual or identifiable part of the community other than those that flow to the community as a whole.	Nil	Nil	Nil	Nil	General Rates	Nil
ECONOMIC DEVELOPMENT										
Partnering with EFD (Economic Development Business)	economically strong community	80%	20%	Benefits considered primarily to the towns with some public benefit District wide.	M	NIL	NIL	L	General rate. Targeted rate based on zone or use using both a UAC and on improvement value.	NIL
Economic Development District		50%	50%	Benefits considered split evenly between business land and district wide.	L	L	L	L	General rate. Targeted rate based on zone or use.	
TOWN CENTRE MANAGEMENT										
Redevelopment projects	economically strong community	80%	20%	Benefits considered primarily to the the towns with some public benefit district wide.	M	L	L	L	General rate. Targeted rate based on zone or use.	General rate. Targeted rate based on zone or use.

Activity	Community Outcomes	Proposed		Rationale	user/ beneficiary pays principle	inter- generational equity principle	exacerbator pays	costs and benefits	Funding Sources	
		Private	Public						Operational	Capital
TRANSPORTATION ACTIVITY										
Roading, Passenger Transport, and Walking and Cycling	Easy to get around	80%	20%	The users of the network receive private benefit for using the network. There is an element of public good as this an open network. The lives of assets created often extend over more than one generation. Excess use on the network creates negative effects. Because this activity is 1/3 of the District wide rates, it is rated as separate rate.	H	H	H	H	Targeted and General Rates, subsidies, General Rates	Development Contributions, borrowings, Council Created Reverses
EMERGENCY MANAGEMENT										
Civil Defense	Safe community	0%	100%	Benefits considered to be district-wide.	NIL	NIL	NIL	NIL	General rates.	NIL
Rural Fire		0%	100%	While identified benefits to localised areas, Council considered that this activity benefits the district as a whole.					General rates.	Targeted rate on communities who want a specific Level of Service
Regional Emergency Management		0%	100%	Benefits considered to be district-wide.	NIL	NIL	NIL	NIL	General rates.	NIL
REGULATORY										
Animal and Parking Control	Safe community									
Animal Control - Dogs		80%	20%	Benefits are generally to owners of dogs, with recognition of public benefit delivered by dog control and education.	M-H	L	H	M	General Rates, User Fees and Charges (Fines are targeted at the exacerbator).	General Rates, User Fees and Charges (Fines are targeted at the exacerbator). Borrowings Council Created Reserves
Animal Control - Stock		0%	100%	There is considered some benefit to stock owners but currently no practical legal mechanism to impose fees and charges.	M	L	H	M	General rate, User fees (fines or recovery of costs).	NIL
Building	Safe community, and well-managed growth.	90%	10%	Benefits primarily to users of the services	H	NIL	L-M	M	Fees and Charges	NIL
Compliance/Monitoring		20%	80%	There is benefit to the public as a result of this activity, and the fines for the exacerbators	H	NIL	M-H	H	General Rates, Fees and Charges (from fines)	NIL
Planning control				Benefits primarily to users of the service however, benefits council Created Reserves to the community through the enquires and appeal process.	H	NIL	M	M	Fees and Charges and General Rates	NIL
Planning Control - Applications		100%	0%	Benefits primarily to users of the services.						
Planning Control — Admin/public enquiries		0%	100%	Benefits are district-wide in acting within its statutory role as regulator.						
Planning Control — Legal Appeals & Mediation		0%	100%	Benefits are district-wide in acting within its statutory role as regulator.						

Activity	Community Outcomes	Proposed		Rationale	user/ beneficiary pays principle	inter- generational equity principle	exacerbator pays	costs and benefits	Funding Sources	
		Private	Public						Operational	Capital
SOLID WASTE MANAGEMENT										
Waste collection	Safe community, a healthy natural environment, and well- managed growth.	95%	5%	Users can be identified.	H	NIL	M	M	Targeted rate plus fees and charges. General rate for illegal dumping and other collections.	NIL
Closed Landfill		0%	100%	Users cannot be identified.	NIL	M	NIL	L	General rate	General rate, borrowing and reserve funds
Recycling		95%	5%	Benefits primarily to the users of the curbside recycling service	H	M	M	M	Targeted rate. General rate for illegal dumping and community recycling facilities.	General rate.
STORMWATER										
Stormwater Collection	A healthy natural environment	70%	30%	Can identify significant volume generators.	M-H	H	M-H	H	Public good recovered by UAC across the District. Private good recovered by capital rate.	Targeted Rates Development Contributions Borrowing Council Created Reserves Lump Sums including development agreements
Stormwater Treatment	A healthy natural environment	20%	80%	Improvement of quality of receiving waters.	L	H	M	H	Public good recovered by UAC across the District. Private good recovered by capital rate.	Targeted Rates Development Contributions Borrowing Council Created Reserves Lump Sums including development agreements
WASTEWATER										
General Services / Management	Safe community, a healthy natural environment, and well- managed growth.	100%	0%	Benefits primarily to the users of the service however there is an increased environmental benefit for the whole community	H	H	M	M	Targeted Rates Trade water fees	Targeted Rates Development Contributions Borrowing Council Created Reserves Lump Sums including development agreements

Activity	Community Outcomes	Proposed		Rationale	user/ beneficiary pays principle	inter- generational equity principle	exacerbator pays	costs and benefits	Funding Sources	
		Private	Public						Operational	Capital
WATER										
General Services/ Management	Safe community, and well-managed growth.	100%		Benefits primarily to users of the service.	H	H	L	H	Targeted Rates Trade water fees	Targeted Rates Development Contributions Borrowing Council Created Reserves Lump Sums including development agreements
ART AND CULTURE										
Auckland War Memorial Museum and Museum of Transport and Technology,	Healthy, active and socially inclusive	0%	100%	Levy is on the Auckland region, which for these facilities includes both the ARC and EW portions of the District.	L	L	NIL	L	General Rates across the whole District.	NIL
Regional Amenities Act.		0%	100%	Levy is on the Auckland region, which for these facilities includes only the ARC portion of the District.	L	L	NIL	L	Targeted rate in the ARC portion of Franklin District.	NIL
Community Partnerships Funds										
General Rates and Donations		0%	100%	Benefits considered district wide. Includes provision of interest free community partnership loans.	L	NIL	NIL	L	General Rates	NIL
Franklin Arts Culture and Library Trust		0%	100%	Benefits considered district wide. While fees and charges apply these are received by the trust, not Council	L	L	NIL	L	General Rates	NIL
COMMUNITY SERVICES										
Safer Community Council	Safe community	0%	100%	Benefits considered district wide with majority of project funding currently provided by a grant from the Ministry of Justice	L	NIL		M	General Rates Grants	NIL
Pensioner Housing		100%	0%	Benefits are primarily to the users of the service.	H	M	L	M	Fees & charges	Fees & charges Council Created Reserves
COMMUNITY FACILITIES										
Community Centres	Healthy, active and socially inclusive	87%	13%	Benefits primarily those in the community areas. Majority of funding by targeted rates to community centre areas with some recovery of costs for Council operated urban community halls by way of fees and charges.	L	M		M	Targeted rates, Fees & charges	Targeted rates, Council Created Reserves
Recreation Centre and Pools		0%	100%	Council's cost is predominantly the provision of the physical facilities and non recoverable component of the facilities operations. This is recognised to be the district wide benefit from the provision of such facilities.	L	M		M	General rates,	General rates, Council Created Reserves

Activity	Community Outcomes	Proposed		Rationale	user/ beneficiary pays principle	inter- generational equity principle	exacerbator pays	costs and benefits	Funding Sources		
		Private	Public						Operational	Capital	
OPEN SPACE AMENITIES											
Cemeteries	Healthy, active and socially inclusive	65%	35%	Both private and district wide benefits are recognised for the provision of these facilities.	M	M	L	L	Fees and Charges and General Rates	General rates, Council Created Reserves	
Parks and Reserves		13%	87%	Benefits are predominantly district-wide however some specific usage is recovered through fees and charges. Additional assets requirement for growth are recovered from developers	M	M	L	L	Fees and Charges and General Rates	General rates, Council Created Reserves and Development Contributions	
Public Toilets			100%	Benefits are predominantly district-wide. Uneconomic to impose user charges for use of these facilities.	Nil	M	M	L	General rates,	General rates, Council Created Reserves	
Playgrounds			100%	Benefits are predominantly district-wide. Additional assets requirement for growth are recovered from developers	L	M	L	L	General rates,	General rates, Council Created Reserves and Development Contributions	
Reserves, Sports grounds			10%	90%	Benefits are predominantly district-wide however some specific usage is recovered through fees and charges.	L	M	L	L	Fees and Charges and General Rates	General rates, Council Created Reserves and Development Contributions
Recreation Hub			10%	90%	Benefits are predominantly district-wide however some specific usage is recovered through fees and charges. Additional assets requirement for growth are recovered from developers	M	M	L		Fees and Charges and General Rates	General rates, Council Created Reserves and Development Contributions



TREASURY RISK MANAGEMENT POLICY

INCLUDING LIABILITY AND INVESTMENT POLICIES

Table of Contents

1.0	INTRODUCTION	14
1.1	Purpose of Policy	14
2.0	OBJECTIVES	14
2.2	Objectives	14
4.0	LIABILITY MANAGEMENT POLICY	15
4.1	Debt Ratios and Limits	15
4.2	Borrowing Mechanisms	15
4.3	Debt Repayment	15
4.4	Security	15
5.0	INVESTMENT POLICY AND LIMITS	16
5.1	General Policy	16
5.2	Investment Mix	16
6.0	RISK RECOGNITION/IDENTIFICATION/MANAGEMENT	17
6.1	Interest Rate Risk	17
6.2	Liquidity Risk/Funding Risk	19
6.3	Liquidity/Funding Risk Control Limits	19
6.4	Counterparty Credit Risk	19
6.5	Operational Risk	20
7.0	MEASURING TREASURY PERFORMANCE	20

TREASURY RISK MANAGEMENT POLICY

1.0 INTRODUCTION

1.1 Purpose of Policy

The purpose of the Treasury Risk Management Policy is to outline approved policies and procedures in respect of all treasury activity to be undertaken by Council. The formalisation of such policies and procedures will enable treasury risks within Council to be prudently managed.

As circumstances change, this policy will be modified to ensure that treasury risks within Council continue to be well managed. In addition, regular reviews will be conducted to test the existing policy against the following criteria:

- Industry “best practices” for a Council of our size.
- The risk bearing ability and tolerance levels of the underlying revenue and cost drivers.
- The effectiveness and efficiency of the treasury management function to recognise, measure, control, manage and report on Council’s financial exposure to market interest rate risks, funding risk, liquidity and investment risks and other associated risks.
- The operation of pro-active treasury management in an environment of control and compliance.
- The robustness of the policy’s risk control limits and risk spreading mechanisms against normal and abnormal interest rate market movements and conditions.
- Assist Council in achieving strategic objectives relating to ratepayers.

2.0 OBJECTIVES

2.2 Objectives

The objective of the policy is to control and manage costs and investment returns that can influence operational budgets and public equity.

2.2.1 Statutory Objectives

- All borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002 and incorporate the Liability Management Policy and Investment Policy.
- Council is governed by the following relevant legislation;
 - Local Government Act 2002, in particular Part 6 including sections 101,102,104 and 105.
 - Trustee Act 1956. When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trustee Act 1956 Part II Investments.
- All projected borrowings are approved by council as part of the Annual Plan and Long Term Council Community Plan (LTCCP) adoption process.
- All legal documentation establishing borrowing and financial instruments will be approved by Council’s solicitors prior to the tabling of the resolution for the appropriate delegated authority.
- Council will not enter into any borrowings denominated in a foreign currency.
- Council will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than that which Council would achieve without pledging rates revenue.
- A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:
 - the period of indebtedness is less than 91 days (including rollovers); or
 - the goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.

2.2.2 General Objectives

- Minimise Council’s costs and risks in the management of its borrowings and maximise its return on investments.
- Minimise Council’s exposure to adverse interest rate movements.
- Borrow funds and transact risk management instruments within an environment of control and compliance under this Council approved Policy so as to protect Council’s financial assets and costs.
- Arrange and structure long term funding for Council at the lowest achievable interest margin from debt lenders. Optimise flexibility and spread of debt maturity within the funding risk limits established by this policy.

- Monitor and report on financing/borrowing covenants and ratios under the obligations of Council's lending/security arrangements.
- Comply with financial ratios and limits stated within this policy.
- Monitor Council's return on investments in CCTO's, property and other shareholdings.
- Maintain liquidity levels and manage cash flows within Council to meet known and reasonable unforeseen funding requirements.
- To minimise exposure to credit risk by dealing with and investing in credit worthy counterparties.
- Ensure that all statutory requirements of a financial nature are adhered to.
- To ensure adequate internal controls exist to protect council's financial assets and to prevent unauthorised transactions.
- Develop and maintain relationships with financial institutions and investors in Council's debt securities.

4.0 LIABILITY MANAGEMENT POLICY

Council's liabilities comprise borrowings and various other liabilities. Council's Liability Management Policy focuses on borrowings as this is the most significant component and exposes the Council to the most significant risks. Other liabilities are generally non-interest bearing. Cash flows associated with other liabilities are incorporated in cash flow forecasts for liquidity management purposes and determining future borrowing requirements.

4.1 Debt Ratios and Limits

Debt will be managed within the following macro limit

RATIO	
The percentage of net external debt to total revenue	<180%
Net Interest expense on net external debt as a percentage of annual rates and levies	<25%
Liquidity (Term debt + committed loan facilities + liquid investments to current external debt)	>110%

Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue.

Net debt is defined as total external debt less liquid financial assets/investments.

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt

limits, a loan may be rolled over or re-negotiated as and when appropriate.

Disaster recovery requirements are met through the liquidity ratio and contingency reserves.

4.2 Borrowing Mechanisms

Council is able to borrow through a variety of market mechanisms including issuing Commercial Paper (CP), fixed rate bonds and floating rate notes (FRN's) through private placements, direct bank borrowing or loans with private placement investors, accessing the short and long-term capital markets directly or internal borrowing of reserve and special funds. In evaluating strategies for new borrowing (in relation to source, term, size and pricing) the GMCS and FUM take into account the following:

- Available terms from banks and the capital markets.
- Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
- Prevailing interest rates and margins relative to term for debt issuance, capital markets and bank borrowing.
- The market's outlook on future interest rate movements as well as its own.
- Legal documentation and financial covenants together with credit rating considerations.

Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate and manage its relationships with its investors and financial institutions.

4.3 Debt Repayment

The funds from all asset sales and operating surpluses will be applied to the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.

The Council will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so.

4.4 Security

Security will usually be provided to banks for the provision of debt facilities and treasury products and also to other investors in Council's debt. This security will usually take the form of a charge over rates.

5.0 INVESTMENT POLICY AND LIMITS

5.1 General Policy

Council is currently a net borrower of funds and should generally apply surplus funds to debt repayment and wherever possible internally borrow from special reserve funds to meet future capital expenditure. An exception to this is that Council may invest liquid funds externally for the following reasons:

1. For strategic purposes consistent with Council's long term strategic plan.
2. Holding short term liquid investments for working capital requirements.
3. Holding investments that are necessary to carry out Council operations consistent with annual or long term plans.

Council recognises that as a responsible public authority any investments that it does hold should be low risk and highly liquid. It also recognises that lower risk generally means lower returns.

In its financial investment activity, Council's primary objective when investing is the protection of its investment. Accordingly, only credit worthy counterparties are acceptable.

5.2 Investment Mix

Council maintains investments in the following assets from time to time:

- Equity investments, including CCO/CCTO and other shareholdings.
- Property investments incorporating land, buildings, a portfolio of ground leases and land held for development.
- Financial investments incorporating longer term and liquidity investments.

5.2.1 Equity Investments

Investments in companies, organisations and property must be approved by specific resolution of Council having regard to all relevant information, including (but not limited to) the following:

- To act in the best interests of the community
- Legislative authority to hold such investments
- The degree of equity interest or control able to be exercised
- Prudence generally

- The likely returns on the investment compared with lower risk investments
- Re-saleability of property held for investment purposes
- To promote the development of the district
- To reduce the reliance on traditional revenue sources (such as rates)
- Other advantages.

5.2.2 Specific Investment

Council considers its specific financial investments (listed below) as representing the best interests of the community and ratepayers. The Council's exposure to risk would be that of any other financial shareholder. Specific investments include the following:

- Civic Assurance - This company evolved from the former Municipalities Insurance Co-operative and New Zealand Local Government Insurance Corporation. The reason for Council holding shares is that as a member of the Co-operative, the Council was entitled to a shareholding related to the level of its premiums. This is not seen as core business for Council but previous attempts to sell its shareholding have failed because there is no ready market for these shares. The LG Act specifically excludes Civic Assurance so that it is not classified as a Council Controlled Organisation.
- Local Authority Shared Services – There are a number of services provided by local authorities, particularly in respect of information collection and management, where improved services at lower aggregate cost can be achieved by having a number of authorities participate in purchase or development of the infrastructure for the service, and ongoing operation of it. Historically those have been addressed by one Council developing the service and sharing it with others on an agreed basis.

5.2.3 Liquid Financial Investments

For the foreseeable future, the Council will be in a net borrowing position and liquid investment funds will be prudently invested as follows:

Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections.

Interest income from financial investments is credited to general funds, except for income from investments for special funds, reserve funds and other funds where interest is credited to the particular fund.

Internal borrowing will be used wherever possible to avoid external borrowing.

5.2.3.1 Liquid Financial Investment Objectives

- Council's primary objective when investing is the protection of its investment capital and maximising returns. Accordingly, only creditworthy counterparties are acceptable. Creditworthy counterparties and investment restrictions are covered in section 6.4. Credit ratings are monitored on a regular basis.
- Council may invest in acceptable short term debt instruments such as Commercial Paper or Floating Rate Notes (FRN'S) and make interest rate duration positions using investor swaps. This will further meet Council's objectives in investing in high credit quality and highly liquid assets yet allow for optimal interest rate decisions.
- Council's external investment interest rate profile will be managed within the parameter outlined in section 6.0.

5.3 Special Funds and Reserve Funds

Liquid assets will not be required to be held against special funds and reserve funds. Instead Council should internally utilise or borrow these funds where ever possible.

Through adopting this Policy, Council supersedes any previous Council resolutions pertaining to the continued funding or internal borrowing of specific special funds and reserve funds.

Accounting entries representing monthly interest accrual allocations will be made using the Council's average weighted cost of funds for that period

5.4 Trust Funds

Where Council hold funds as a trustee then such funds must be invested on the terms provided within the trust.

6.0 RISK RECOGNITION/IDENTIFICATION/MANAGEMENT

The definition and recognition of interest rate, liquidity, funding, counterparty credit, market, operational and legal risk of Council will be as detailed below and applies to both the Liability Management policy and Investment policy.

6.1 Interest Rate Risk

6.1.1 Risk Recognition

Interest rate risk is the risk that investment returns or funding costs (due to adverse movements in market interest rates) will materially exceed or fall short of adopted annual plans and strategic 10 year plan

interest returns or cost projections, so as to adversely impact cost control, capital investment decisions/ returns/and feasibilities.

The primary objective of interest rate risk management is to reduce uncertainty to interest rate movements through fixing of investment returns or funding costs. Both objectives are to be achieved through the active management of underlying interest rate exposures.

6.1.2 Approved Financial Instruments

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

Current approved interest rate instruments are as follows

CATEGORY	INSTRUMENT
Cash management and borrowing	Bank overdraft
	Committed cash advance and bank accepted bill facilities (short term and long term loan facilities)
	Uncommitted money market facilities
	Wholesale Bond and Floating Rate Note (FRN) issuance
	Commercial paper (CP)
	NZD denominated Private Placements
Investments	Retail Bond and FRN Issues
	Short term bank deposits
	Bank bills
	Bank certificates of deposit (CD's)
	Treasury bills
	Local Authority stock or State Owned Enterprise (SOE) bonds and FRN's
	Corporate bonds
	Floating Rate Notes
	Promissory notes/Commercial paper
	Redeemable Preference Shares (RPS)

Interest rate risk management	Forward rate agreements (“FRAs”) on: <ul style="list-style-type: none"> - Bank bills - Government bonds Interest rate swaps including: <ul style="list-style-type: none"> - Forward start swaps - Amortising swaps (whereby notional principal amount reduces) - Swap extensions and shortenings 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 the Council on a case-by-case basis and only be applied to the one singular transaction being approved. Credit exposure on these financial instruments is restricted by specified counterparty credit limits.

6.1.3 Interest Rate Risk Control Limits

6.1.3.1 Net Debt/Borrowings

Council debt/borrowings should be within the following fixed/floating interest rate risk control limit:

6.1.3.2 Master Fixed/Floating Risk Control Limit

Minimum Fixed Rate	Maximum Fixed Rate
50%	95%

“Fixed Rate” is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.

“Floating Rate” is defined as an interest rate repricing within 12 months.

The percentages are calculated on the rolling 12 month projected net debt level calculated by management (signed off by the GMCS). Net debt is the amount of total debt net of liquid financial assets/ investments. This allows for pre-hedging in advance of projected physical drawdown of new debt. When approved forecasts are changed, the amount of fixed rate cover in place may have to be adjusted to comply with the policy minimums and maximums.

The fixed rate amount at any point in time should be within the following maturity bands:

FIXED RATE MATURITY PROFILE LIMIT		
Period	Minimum Cover	Maximum Cover
1 to 3 years	15%	60%
3 to 5 years	15%	60%
5 years plus	10%	60%

6.1.3.3 Liquid Financial Investment Portfolio

Financial investments should be restricted to a term that meets future cash flow projections and be mindful of forecast debt associated with future capital expenditure programs as outlined within the LTCCP.

6.1.3.4 Special Funds/Reserve Funds

- Given that Council will require funding for capital expenditure cash shortfalls for the remaining life of the existing special / reserve funds, Council should wherever possible/ practical cease to create / contribute or continue such funds. Where such funds are deemed necessary they should be used for internal borrowing purposes. This will negate counterparty credit risk and any interest rate gap risk that occurs when Council borrows at a higher rate compared to the investment rate achieved by Special / Reserve Funds
- Liquid assets will not be required to be held against special funds or reserve funds unless such funds are held within a trust requiring such, instead Council will manage these funds using internal borrowing facilities. Accounting entries representing monthly interest accrual allocations will be made using Council's average weighted cost of external funds for that period.
- Shares
 - Council will consider selling its non-strategic share holdings where the rate of return from owning the asset is lower than the financial benefit to ratepayers of selling and of using the proceeds of sale to repay debt. In its considerations Council will take into account the risks associated with continuing to own the asset and the risks associated with Council's total debt.
 - Proceeds from share sales will go to repay existing debt, unless the Council specifically directs that the funds be put to another use.
- Investment Properties
 - Investment properties will only be purchased in the future where such acquisition will strategically fit Council's core activities.

- Any funds received from the sale of investment properties will be used to repay existing debt, unless Council specifically directs that the funds be put to another use.

6.2 Liquidity Risk/Funding Risk

6.2.1 Risk Recognition

Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of loans and facilities. Liquidity risk management focuses on the ability to borrow at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and maturity terms of existing facilities.

Managing Council's funding risks is important as several risk factors can arise to cause an adverse movement in borrowing margins, term availability and general flexibility including:

- Local Government risk is priced to a higher fee and margin level.
- Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons.
- A large individual lender to Council experiences their own financial/exposure difficulties resulting in Council not being able to manage their debt portfolio as optimally 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 so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions.

6.3 Liquidity/Funding Risk Control Limits

- The Council must approve all new loans and borrowing via resolution of the Annual Plan and LTCCP.
- Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.
- Term debt and committed debt facilities together with liquid investments must be maintained at an amount that averages 110% of existing external debt.
- The GMCS has the discretionary authority to re-finance existing debt on more favourable terms. Such action is to be ratified and approved by the Council at the earliest opportunity.

- The maturity profile of the total committed funding in respect to all loans and committed facilities, is to be controlled by the following system:

PERIOD	MINIMUM	MAXIMUM
0 to 3 years	20%	60% (\$25M per year)
3 to 5 years	20%	60% (\$25M per year)
5 years plus	0%	60% (\$25M per year)

A maturity schedule outside these limits requires specific Council approval.

6.4 Counterparty Credit Risk

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

Credit risk will be regularly reviewed by the Council. Treasury related transactions would only be entered into with organisations specifically approved by the Council.

Counterparties and limits can only be approved on the basis of long-term credit ratings (Standard & Poor's or Moody's) being A- and above or short term rating of A2 or above; with the exception of New Zealand Local Authorities.

Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure.

The following matrix guide will determine limits.

Counterparty/Issuer	Minimum long term / short term credit rating	Investments maximum per counterparty	Interest rate risk management instrument maximum per counterparty	Total maximum per counterparty
		(\$m)	(\$m)	(\$m)
NZ Government	A-/ A2	Unlimited	none	unlimited
NZD Registered Supranationals	AAA	20.0	none	20.0
State Owned Enterprises [name]	A-/ A2	15.0	none	15.0
NZ Registered Bank [name]	A-/ A2	50.0	70.0	70.0
Corporate Bonds/ CP [names]*	A-/ A2	10.0	none	10.0
Local Government Stock/ Bonds/ FRN/ CP [name]**	A-/ A2 (if rated) Unrated	40.0	none	40.0
		25.0	none	25.0

- *Subject to a maximum exposure no greater than 25% of total funds invested in corporate debt at any one point in time.
- ** Subject to a maximum exposure no greater than 60% of total funds invested in Local Government debt at any one point in time

6.5 Operational Risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures and inadequate procedures and controls.

Operational risk is very relevant when dealing with financial instruments given that:

- Financial instruments may not be fully understood.
- Too much reliance is often placed on the specialised skills of one or two people.
- Most treasury instruments are executed over the phone.
- Operational risk is minimised through the adoption of all requirements of this policy.

6.5.1 Dealing Authorities and Limits

Transactions will only be executed by those persons and within limits approved by the Council.

6.5.2 Segregation of Duties

Adequate segregation of duties will be maintained among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting. Two signatories are required for all cheques and electronic transfers of funds.

7.0 MEASURING TREASURY PERFORMANCE

In order to determine the success of Council's treasury management function, the following benchmarks and performance measures have been prescribed.

Those performance measures that provide a direct measure of the performance of treasury staff (operational performance and management of debt and interest rate risk) are to be reported to the FUM on a monthly basis.

8.1.1 Reporting

The following reports are produced:

REPORT NAME	FREQUENCY	PREPARED BY	RECIPIENT
Summary Treasury Report	Quarterly	Finance staff	Council
Debt Maturity Profile	Quarterly	Finance staff	Council
Statement of Public Debt	Quarterly	Finance staff	Council

RATING POLICIES

INCLUDING RATES REMISSION, RATES POSTPONEMENT AND MAORI FREEHOLD LAND POLICIES

RATES REMISSION POLICIES

SPORTING, RECREATION AND OTHER COMMUNITY ORGANISATIONS

Background

The objective of this policy remains unchanged from that published in the Franklin District Council's Long Term Council Community Plan 2006 – 2016. This policy continues to offer the same levels of remission to the same types of community groups that applied under the old Rating Powers Act 1988 legislation and under the previous remissions policy.

Statutory

Section 85 of the Local Government Rating Act (2002) states:

“A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –

- the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
- the local authority is satisfied that the conditions and criteria are met.

The local authority must give notice to the ratepayer identifying the remitted rates.”

Policy

Objectives of the Policy

- To facilitate the ongoing provision of non-business community services that meet the needs of Franklin District residents
- To facilitate the ongoing provision of non-business recreational opportunities for Franklin District residents
- To assist the survival of sporting, recreation and other community organisations
- To make membership of sporting, recreational and community organisations more accessible to the

general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

1. The policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
2. The policy will not apply to organisations operated for private pecuniary profit, or which charge tuition fees.
3. The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
4. The application for rate remission must be made to the Council prior to the commencement of the rating year (including providing any additional information requested by Council). Applications received during a rating year will not be applicable until the commencement of the following rating year. No applications will be backdated.
5. Organisations making application should include the following documents in support of their application:
 - Statement of objectives
 - Full financial accounts
 - Information on activities and programmes
 - Details of membership or clients.

Council may also request other information required to support the application, e.g. proof of registration as a charity with the Charities Commission.

6. The policy shall apply to such organisations as approved jointly by the Finance Unit Manager and the Mayor as meeting the relevant criteria.
7. The extent of any remission to any qualifying organisation shall be as determined by the Finance

Unit Manager and the Mayor. A maximum of 50% remission will apply to organisations that hold a liquor licence. No remission will be granted in respect of those rates referred to in section 9 of the Local Government (Rating) Act 2002 (i.e. targeted rates for water supply, sewage disposal or waste collection) and rates for land drainage.

8. There is no fee for processing an application under the policy for rates relief for sporting, recreation and other community organisations.
9. This policy initially came into force on 1 July 2003.

PROTECTION OF NATURAL AREAS

Background

Section 180G of the Rating Powers Act 1988 (the old Act) allowed a local authority to use the special consultative procedure to adopt a policy for remission or postponement of all or part of the rates for land on which natural, historic, or cultural features are voluntarily preserved. This policy had been operating since 1 July 1993. Council wishes to continue offering rates relief for these types of land preservation.

Statutory

Section 85 of the Local Government Rating Act (2002) states:

1. A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
 - the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
 - the local authority is satisfied that the conditions and criteria are met.
2. The local authority must give notice to the ratepayer identifying the remitted rates.

Policy

Objectives of the Policy

To promote the protection of land comprising natural areas (being stands of native bush, wetlands, wildlife habitats and landforms) that have, voluntarily, been appropriately physically and legally protected or classified.

Conditions and Criteria

1. Rates remission and relief may be granted in respect of land comprising natural areas (being stands of native bush, wetlands, wildlife habitats and landforms) that have, voluntarily, been appropriately

physically and legally protected or classified. Such relief may only be granted while the necessary physical and legal protection remains in force.

2. Up to 100% rates remission may be granted for appropriately protected natural areas. The amount of relief granted will be determined on a case by case basis by the Activity and Monitoring Committee. In particular, each application for rates relief shall contain sufficient information to allow the following to be assessed:
 - The significance of the natural area being protected. In particular:
 - The significance of the area in an international, national, regional or local context
 - The rarity or representativeness of the area
 - Whether the type of feature comprising the area has been protected elsewhere in the District
 - The vulnerability of the natural area being protected, including an assessment of whether, and to what extent, the preservation of the natural area might be prejudicially affected if rates relief is not granted in respect of the land comprising the area.
 - The financial cost and loss of opportunity for the applicant in protecting the natural area on a voluntary basis.
 - Whether the applicant will be required to change the use of the land and be bound by certain management practices. If so, the likely costs involved.
 - Whether extraordinary conditions and restrictions apply to the natural area being protected and surrounding land. If so, how these will affect the saleability and future use of the natural area and surrounding land.
 - Such other matters as Council considers relevant.
3. The actual amount of rates remitted in respect of the land comprising a protected natural area shall be calculated using the following formula:

Amount of Rates Remitt

	(area of protected natural feature)	
= (percentage rates relief granted)	x (total area of property)	x (general rates and roading rates payable on total area of property)

4. If at any time a landowner fails to maintain the necessary physical protection or otherwise breaches the conditions of legal protection for a natural area, the Council may cease to provide rates remission or relief in respect of the land comprising that natural area. This action will only be undertaken if other remedies, including consultation with the landowner, have failed.
5. Rates relief for the protection of natural areas under this policy, shall not apply to protected natural

areas included in a lot which has arisen out of a subdivision consent issued by Council.

6. The application for rate remission must be made to the Council prior to the commencement of the rating year (including any additional information requirements requested by the Council). Applications received during a rating year will not be applicable until the commencement of the following rating year. No applications will be backdated.
7. There is no fee for processing an application under this policy.
8. The extent of any remission to any qualifying land shall be determined by the Activity and Monitoring Committee (or successive committee).
9. This policy initially came into force on 1 July 2003.

LATE PAYMENT POLICY

Background

This policy has had minor amendments to clarify the meaning of some phrases which were published in the Franklin District Council Community Plan 2006 – 2016. This policy continues to offer the same level of remission on late payment penalties that applied under the old legislation and under the previous late payment penalty remissions policy.

Statutory

Section 85 of the Local Government Rating Act (2002) states:

1. A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
 - the local authority is satisfied that the conditions and criteria are met.
2. The local authority must give notice to the ratepayer identifying the remitted rates.

Policy

Objectives of the Policy

- To enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.
- To enable the Council to offer standard payment arrangement options without unfairly penalising the ratepayer and to provide flexible payment options.

- To encourage resolution and payment of outstanding rate arrears.

Conditions and Criteria

1. Where the Council offers certain Standard Payment Arrangement Plans¹ to the ratepayers of the District, the Group Manager Corporate Services and the Finance Unit Manager shall determine whether or not to waive any additional charges incurred where the ratepayer meets all the required payment conditions of the arrangement in question.

Note 1: The Standard Payment Arrangement Plans will be determined each rating year by the Group Manager Corporate Services and the Finance Unit Manager. An example of such a plan could be where a monthly direct debit payment option is offered to ratepayers. In such a situation there may be timing differences with payments not fully meeting the instalment penalty dates and therefore incurring a penalty. In these situations the penalty may be waived for all ratepayers on such an arrangement, where they meet the payment conditions.

2. Where a ratepayer incurs a penalty for not making full payment of the first instalment by the penalty date, the ratepayer may be offered the option of paying their full year's rates by the second instalment penalty date and receive remission of the first instalment penalty incurred.
3. Penalty remissions will be at the discretion of the Group Manager Corporate Services and the Finance Unit Manager for amounts within their financial delegations, or will be recommended to the Chief Executive Officer for approval. All remissions will be considered against the following guidelines and will only be considered in response to a written request (a standard rates remission application form is available from the website) from a ratepayer:
 - a. Where the ratepayer's payment history over the preceding 24 months from the date of the penalty shows all payments have been made by the due date
 - b. Personal circumstances, such as family illness, death or other tragedy
 - c. An error made by the Council or a third party (e.g. a rates notice is not delivered to the correct address in the first year of ownership)
 - d. Where the ratepayer is in arrears, the remission of all or any part of the additional charges already made or yet to be incurred will assist in resolving a long-term debt situation.
4. All penalties remitted under clause 3 shall be recorded in the Penalty Remissions Register, where the amount remitted is over \$10 for any individual ratepayer.
5. The Penalty Remissions Register shall contain the following information:
 - The Valuation Number
 - Policy section and sub-section applied

- Date remitted (this date is to be the same date as the date on the adjustment form which is used to update the rates database)
 - Who the remission has been authorised by
 - Amount remitted.
6. There is no fee for processing an application under this policy.
7. This policy initially came into force on 1 July 2003.

RESIDENTIAL PROPERTIES IN BUSINESS ZONE

Background

This policy has been introduced to provide rates relief to those residential properties established when the zoning was residential or rural residential and where the zoning has subsequently been changed to business. In specific cases it also provides relief for residential dwellings originally established in areas already zoned business.

Statutory

Section 85 of the Local Government Rating Act (2002) states:

“A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –

- the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
- the local authority is satisfied that the conditions and criteria are met.

The local authority must give notice to the ratepayer identifying the remitted rates.”

Policy

Objectives of the Policy

- To provide rates relief to those residential properties that were originally established in a residential zone and where the zoning has subsequently changed to business.
- To provide rates relief to those residential properties that were originally established in a rural residential zone and where the zoning has subsequently changed to business.
- To provide a rates policy that is consistent with accommodating limited mixed use of residential/business zoned land, as promoted in the District Growth Strategy.

Conditions and Criteria

1. The policy will apply to:
 - Residential properties originally established when the zoning was residential and where the zoning has subsequently been changed to business.
 - Residential properties originally established when the zoning was rural residential and where the zoning has subsequently been changed to business.
 - Residential dwellings originally established in areas already zoned business that are above the ground floor in a multi-level building.
2. Upon written application and subject to the following criteria, a property may be granted rate relief in the form of charging residential rates and remitting business rates, noting that:
 - Rental properties are not included in this policy.
 - The property must be occupied and exclusively used for residential purposes.
 - The owner must be the same person as the occupier.
 - The property file shall be tagged with a warning to prospective purchasers and be included with LIM reports. The tag will indicate that the property is being charged residential instead of business rates, subject to the criteria being met.
 - A letter will be sent annually to the property owner by the Finance Unit Manager, by 31 May. The property owner is required to respond by 30 June in the form of a statutory declaration that the property’s residential status still stands. Unless confirmation is received by 30 June, business rates will apply to the rating year starting 1 July and the property owner will not be entitled to any remission under this policy until the following rating year. Site inspections may be necessary in some cases.
 - No applications will be backdated.
3. A separate annual charge of \$30 shall apply to those affected properties to cover additional costs incurred.
4. This policy shall come into force on 1 July 2009.

RURAL PROPERTIES IN BUSINESS ZONE

Background

This policy has been introduced to provide rates relief to those rural properties established when the zoning was rural residential or rural and where the zoning has subsequently been changed to business.

Statutory

Section 85 of the Local Government Rating Act (2002) states:

“A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –

- the local authority has adopted a rates remission policy under section 109 of the Local Government Act 2002; and
- the local authority is satisfied that the conditions and criteria are met.

The local authority must give notice to the ratepayer identifying the remitted rates.”

Policy

Objectives of the Policy

- To provide rates relief to those rural properties that were originally established in a rural or rural residential zone and where the zoning has subsequently changed to business.

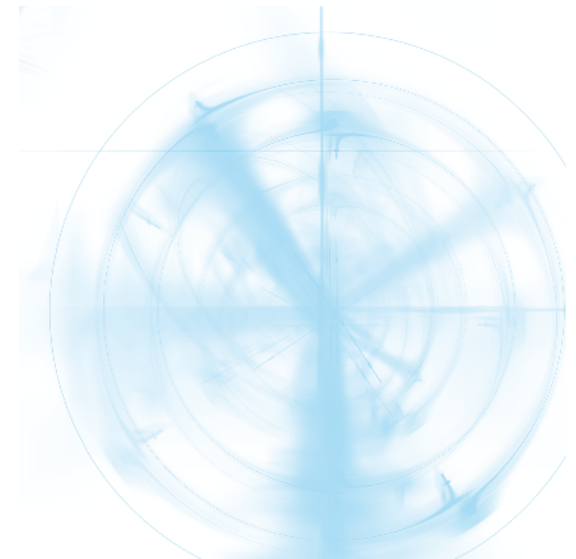
Conditions and Criteria

1. The policy will apply to:
 - Residential properties originally established when the zoning was rural residential or rural and where the zoning has subsequently been changed to business.
3. Upon written application and subject to the following criteria, a property may be granted rate relief in the form of charging rural rates and remitting business rates, noting that:
 - Rental properties are not included in this policy.
 - The property must be occupied and exclusively used for rural purposes.
 - The owner must be the same person as the occupier.
 - The remission under this policy will no longer apply when the ratepayer ceases to be the owner/ occupier of the rural property.
 - The remission under this policy will no longer apply when the land use of the rural property changes.
 - The property file shall be tagged with a warning to prospective purchasers and be included with LIM reports. The tag will indicate that the property is being charged rural instead of business rates, subject to the criteria being met.
 - A letter will be sent annually to the property owner by the Finance Unit Manager, by 31 May. The

property owner is required to respond by 30 June in the form of a statutory declaration that the property's rural status still stands. Unless confirmation is received by 30 June, business rates will apply to the rating year starting 1 July and the property owner will not be entitled to any remission under this policy until the following rating year. Site inspections may be necessary in some cases.

- No applications will be backdated.
4. A separate annual charge of \$30 shall apply to those affected properties to cover additional costs incurred.

This policy shall come into force on 1 July 2009.



RATES POSTPONEMENT POLICIES

EXTREME FINANCIAL HARDSHIP

Background

The policy continues to offer the same level of rates postponement to ratepayers that may suffer extreme financial hardship as in previous years.

Statutory

Section 87 of the Local Government Rating Act (2002) states:

1. A local authority must postpone the requirement to pay all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - the local authority has adopted a rates postponement policy under section 110 of the Local Government Act 2002; and
 - the ratepayer has applied in writing for a postponement; and
 - the local authority is satisfied that the conditions and criteria in the policy are met.
2. The local authority must give notice to the ratepayer –
 - identifying the postponed rates; and
 - stating when, or in which circumstances, the rates will become payable.

Policy

Objectives of the Policy

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

Conditions and Criteria

1. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant, including the following factors: age, physical or mental disability, injury, illness and family circumstances.
2. The ratepayer must be the current owner of, and have owned for not less than 5 years, the rating unit which is the subject of the application.
3. The rating unit must be used solely for non-business purposes.

4. The Group Manager Corporate Services must be satisfied that the ratepayer is unlikely to have sufficient funds, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard, and that provision has been made for normal day-to-day living expenses.
5. The ratepayer must not own any other rating units, investment properties or other realisable assets.
6. The ratepayer must make application to the Council in writing.
7. Any postponed rates will be postponed until:
 - The death of the ratepayer(s); or
 - Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
 - Until the ratepayer(s) ceases to use the property as his/her residence; or
 - Until a date specified by the Council as determined by the Group Manager Corporate Services in any particular case.
8. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
9. Council reserves the right not to postpone any further rates once the total of the postponed rates and accrued charges equals or exceeds 80% of the rateable value of the property, as recorded in Council's rating information database.
10. Postponed rates will be registered as a statutory land charge on the rating title.
11. The Council may add a postponement fee to, and may charge interest on, the postponed rates for the period between the due date and the date that they are paid. This fee will not exceed an amount that covers the Council's administration and financial costs.
12. This policy comes into force on 1 July 2009.

FARMLAND

Background

This policy shall take effect on 1 July 2009. The policy relates to properties located in the rural zone that qualify for postponement of Rates.

This policy also applies to those properties that are already eligible for postponement of rates, but are not situated in the rural zone. These properties shall continue to be eligible for rates postponement at the levels specified in this policy, but will be charged interest at Council's current interest rate and the postponement will no longer be written off.

Statutory

Section 87 of the Local Government Rating Act (2002) states:

1. A local authority must postpone the requirement to pay all or part of the rates on a rating unit (including penalties for unpaid rates) if –
 - the local authority has adopted a rates postponement policy under section 110 of the Local Government Act 2002; and
 - the ratepayer has applied in writing for a postponement; and
 - the local authority is satisfied that the conditions and criteria in the policy are met.
2. The local authority must give notice to the ratepayer –
 - identifying the postponed rates; and
 - stating when, or in which circumstances, the rates will become payable.

Policy

Objectives of the Policy

To provide rates relief to ratepayers of farmland whose value has been affected by the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development.

To maintain a level of postponement for properties used for farming which are not in the Rural Zone, and to collect postponed rates on the sale of those properties.

Conditions and Criteria

1. In this policy, "farmland" means a rating unit that is used exclusively or principally for agricultural, horticultural, or pastoral purposes, or for the keeping of bees or poultry or other livestock, and "farming purposes" has a corresponding meaning. This may include several contiguous titles farmed as one unit, either under the same ownership, or a single lease registered on the Titles. The property must be located in the Rural Zone as defined in the Franklin District Plan.

The "full rateable value" is the total value of the land including any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use.

The "farmland postponement value" is the difference between the full rateable value and the rates postponement value.

2. The "rates postponement value" of any land is to be determined, upon application:
 - To exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use; and
 - To preserve uniformity, relativity and equity with comparable parcels of farmland, the valuations of which do not contain any such potential value.
3. No penalty charges will be applied to any rates postponed under this part of the policy.
4. The following details are to be included with each rates assessment issued in respect of any rating unit for which rates have been postponed under this policy:
 - The farmland postponement value of the rating unit
 - The amount of the postponed rates in respect of the period covered by the rates assessment
 - The net amount of the rates previously postponed under this policy and not written off, and the rating periods in respect of which they were set and assessed
 - The net amount of rates due and payable.
5. Postponed rates will be registered as a statutory land charge on the rating unit until such time as they are paid according to this policy.
6. No dealing with the land may be registered by the ratepayer while the charge is registered, except with the consent of the local authority.
7. All rates postponed under this policy, unless they sooner become payable under this policy, are to be written off at the expiration of 5 years from the commencement of the rating period in respect of which they were set and assessed.
8. All rates whose payment has been postponed under this policy, which have not been written off under this policy, become due and payable immediately on:
 - The land ceasing to be farmland; or
 - The value of the land ceasing to be to some extent attributable to the potential use to which the land may be put for residential, commercial, industrial, or other non-farming development; or
 - The interest of the person who was the ratepayer at the date on which the rates postponement value was entered on the valuation roll becoming vested in some person other than:
 - o The ratepayer's spouse or former spouse; or
 - o The executor or administrator of the ratepayer's estate; or

- o Where the ratepayer was the proprietor of the interest as a trustee, or a new trustee under the trust.
9. Where the ratepayer's interest in the land becomes vested in another person, the rates postponement value will continue to have effect for the land if it continues to be farmland.
 10. Where only part of the ratepayer's interest in the land becomes vested in another person, that part so vested of the postponed rates not written off becomes due and payable immediately under this policy. The amount payable on that part so vested will be calculated based on the ratio of the area of that part so vested over the total area of the rating unit immediately before the date of vesting to another person. The decision determining the rates postponement value of the land shall continue to have effect in relation to the part of the land not disposed of, and to the part disposed of, as long as the land continues to be farmland under this policy.
 11. The application for rate remission must be made to the Council prior to the commencement of the rating year (including any additional information requirements requested by the Council). Applications received during a rating year will not be applicable until the commencement of the following rating year. No applications will be backdated. All applications should be addressed to the Group Manager Corporate Services.
 12. Costs incurred for valuation, administration and legal services required for processing, implementing and maintaining a rates postponement will be charged to the rating unit in full. This includes costs incurred in the triennial District valuation reassessment.
 13. This policy shall come into force on 1 July 2009.

RATES POSTPONEMENT CONVERSION

Background

This policy provides additional rates relief to elderly ratepayers who are owner/occupiers of their residential properties, by providing for indefinite postponement of rates payments.

Statutory

Section 87 of the Local Government Rating Act (2002) states:

- 1 A local authority must postpone the requirement to pay all or part of the rates on a rating unit (including penalties for unpaid rates) if:
 - the local authority has adopted a rates postponement policy under section 110 of the Local Government Act 2002; and
 - the ratepayer has applied in writing for a postponement; and

- the local authority is satisfied that the conditions and criteria in the policy are met.

- 2 The local authority must give notice to the ratepayer –

- identifying the postponed rates; and
- stating when, or in which circumstances, the rates will become payable.

Policy

Objective

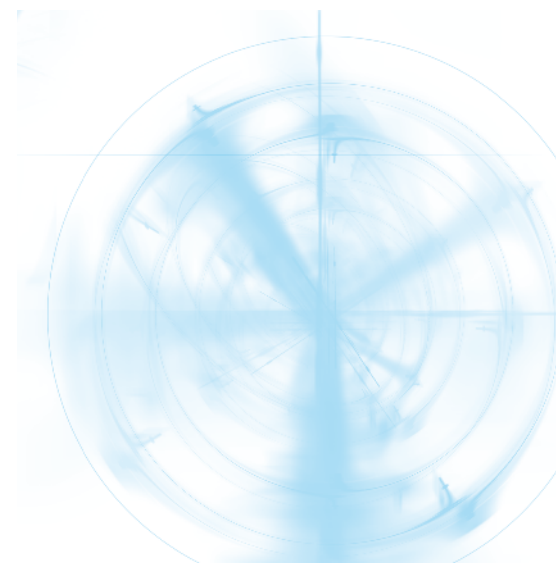
To give elderly ratepayers a choice between paying rates now or later, subject to the full cost of postponement being met by the ratepayer and Council being satisfied that the risk of loss in any case is minimal.

Conditions and Criteria

1. Any ratepayer is eligible for postponement provided that the rating unit is used by the ratepayer for personal residential purposes (which includes, in the case of a family trust owned property, use by a named individual or couple) and that at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older.
2. Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid, is negligible. To determine this, an actuary will be engaged to forecast the expected equity when the repayment falls due.
3. The property must be insured for its full value and evidence of this must be produced annually.
4. Any postponed rates (under this policy) will be postponed until:
 - a) The death of the ratepayer(s) or named individual or couple; or
 - b) Until the ratepayer(s) ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another property within the District, Council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied that there is adequate security in the new property for eventual repayment); or
 - c) Until a date specified by Council.
5. Council will charge an annual fee on postponed rates for the period between the due date and the date that they are paid. This fee will cover Council's administrative and financial costs and may vary from year to year. The fee will be based on the interest Council will incur, at the rate of Council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include Council's in-house costs, a 1% p.a. levy on outstanding balances to cover external management

and promotion costs, a reserve fund levy of 0.25% p.a., and a contribution to cover the cost of counselling).

6. To protect Council against any suggestion of undue influence, applicants will be asked to obtain advice from an appropriately qualified and trained counsellor. A counsellor's certificate confirming that this has occurred will be required before any postponement is granted.
7. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
8. The maximum value of rates postponement available will be net of any rates rebates available to the applicant.
9. Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.
10. This policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. Any resulting modifications will not change the entitlement of people already in the scheme. This includes the suspension while the ratepayers having to pay future rates but not previously postponed rates, until the ratepayer is required to make payment.
11. Council reserves the right not to postpone any further rates once the total of the postponed rates and accrued charges equals or exceeds 80% of the rateable value of the property, as recorded in Council's rating information database.
12. This policy consciously acknowledges that future changes in policy could include withdrawal of this rates postponement option.
13. Applications must be made in writing to the Council and postponement will commence from the beginning of the rating year in which the application is made.
14. Council notes that recipients may also benefit from other rates postponement schemes.
15. This policy shall come into force on 1 July 2009.



OTHER RATING POLICIES

LUMP SUM PAYMENT POLICY

Background

This policy is required due to replacement of the Rating Powers Act 1988 (RPA) with the Local Government (Rating) Act 2002 (LGRA). The power to allow ratepayers to make a lump sum payment of their share of a loan funded project was prescribed under the RPA, but in the LGRA the powers are more flexible. This policy offers ratepayers the option of making one lump sum payment at any point in time during the term of a loan, for a loan funded project. As with the previous policy, any lump sum payment will be required to repay the property's share of the outstanding loan balance in full.

Statutory

Section 56(1) of the LGRA states:

“A local authority may adopt a policy for the payment of rates in anticipation of rates for subsequent financial years.”

Policy

Objectives of the Policy

- To facilitate the early repayment of loan rate liabilities that from time to time occur for specific Council works.
- To offer a more flexible payment option to ratepayers within special loan areas.
- To minimise future rate liabilities by collecting future debt early.

Conditions and Criteria

1. This policy shall apply to any subsequent rating years after the date of application for a lump sum payment.
2. The policy will apply only to those rating units that meet the following criteria:
 - Are located within a targeted rating area which is liable for payment of a targeted rate specifically for the repayment of a loan raised for a specified function or functions; and
 - The Council has determined that for that specific targeted loan rate, it will accept a lump sum payment.

3. Any lump sum payment must be made for the entire remaining loan balance outstanding as at the time of payment, of the rating unit's share. The rating unit's share is determined as follows:
 - Total principal balance of the loan outstanding (which is net of any sinking fund/repayment fund) as at 30 June of the current rating year; divided by the number of remaining loan rate properties (those rating units that have not paid the lump sum) within the targeted loan rate area as at 1 July of the current rating year.
4. The following criteria will apply in the case of subdivision of a property where:
 - A lump sum payment has been made in respect of any rating unit; and
 - That property subsequently becomes two or more rating units, by way of subdivision or otherwise.

The lump sum payment shall be deemed to have been made in respect of all resulting rating units and they shall not be liable for the targeted fixed loan rate.

5. Nothing in 2) above shall apply in any case where lump sum payments have been calculated in accordance with the proportionate shares payable in respect of rating units of a targeted rate on the valuations or areas of properties.
6. Where a Lump Sum payment has been made according to this Policy Council will not refund the payment in whole or part. The Lump Sum payment is applied against the property not the ratepayer and any such payment serves to extinguish any further liability for payment of rates with respect to expenditure incurred in relation to the existing loan.
7. All applications in relation to this policy must be made in writing.
8. This policy initially came into force on 1 July 2003.

POLICY ON THE REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND

Definitions

“Maori freehold land” means land whose beneficial ownership has been determined by the Maori Land Court by freehold order.

“Maori freehold land in multiple ownership” means Maori freehold land owned by more than two persons.

Background

This policy is required due to replacement of the Rating Powers Act 1988 (RPA) with the Local Government (Rating) Act 2002 (LGRA). This policy does not affect the rights contained in the LGRA that continue to be available with respect to Maori freehold land that is in multiple ownership, to the extent that the land is not being inhabited (the details of which are available under Part 4 of the LGRA).

In addition, certain categories of Maori land under Schedule 1 of the LGRA are not rateable. Those categories include:

- Maori customary land
- Land that is set apart under section 338 of Te Ture Whenua Maori Act 1993 or any corresponding former provision of that Act, and:
 - that is used for the purposes of a marae or meeting place and that does not exceed 2 hectares;
 - or
 - that is a Maori reservation under section 340 of that Act.
- Maori freehold land that does not exceed 2 hectares and on which a Maori meeting house is erected.

Generally, the rates relief available under statute has not changed for Maori land.

Statutory

Section 102(4)(f) of the Local Government Act 2002 (LGA) states:

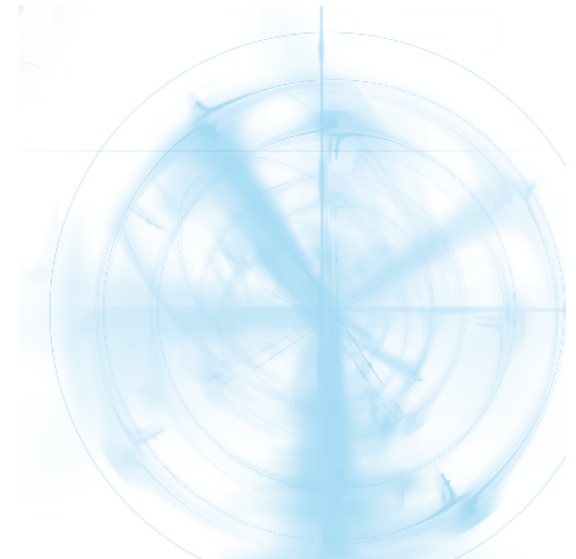
A local authority must adopt a policy on the remission and postponement of rates on Maori freehold land.

Section 108 of the LGA provides that in determining its policy, the local authority must consider the matters in Schedule 11 of the LGA. However, it also makes it clear that such a policy need not actually provide for remission and/or postponement of rates.

Policy

Council, after considering the matters and objectives contained in Schedule 11 of the LGA and other matters, resolved not to provide for remission and/or postponement of rates on Maori freehold land.

This policy initially came into force on 1 July 2004.



FEES AND CHARGES

1. ALL FEES ARE GST INCLUSIVE UNLESS OTHERWISE STATED

2. COMMUNITY AND INFRASTRUCTURE ASSETS

ROADING AND VEHICLE CROSSINGS

Stock on Roads Bylaw

(A)	Fee for a permit application	\$50.00
-----	------------------------------	---------

Should any permit be required under any new or reviewed bylaw regulating the movement of stock on roads, the fee for that permit shall continue to be \$50.00.

Road Opening Applications

(A)	Isolated Openings	\$112.00	Excl GST
(B)	Trenching 0 - 99 Metres	\$130.00	Excl GST
(C)	Trenching 100 - 499 Metres	\$195.00	Excl GST
(D)	Trenching 500 - 999 Metres	\$260.00	Excl GST
(E)	Trenching > 1000 Metres	\$390.00	Excl GST

(F) Additional Cost for non-compliance shall be determined on the basis of actual costs with the following charge out rates:

Hourly Rate	\$95.00 per Hour
Travel Rate	\$1.10 per km

Vehicle Crossings

(A)	Inspection fee (first 2 inspections):	\$95.00 per crossing
(B)	Each subsequent inspection (if required by Council)	\$50.00

Over Weight Permits

(A)	Single (3 day turn around)	\$55.00	Excl GST
(B)	Single (24 hour turn around)	\$85.00	Excl GST
(C)	12 month	\$55.00	Excl GST
(D)	Two Year	\$110.00	Excl GST
	Feasibility (technical investigations)		Quote to be provided

Temporary Road Closure Permit Application Fee

This fee may be waived at the discretion of the Customer Services Unit Manager, for community events where there is no participation fee. \$170.00

Approval of Traffic Management Plans

This fee is to be charged where Council roads are being used for commercial purposes (e.g. filming of advertisements) to cover the administrative costs of Processing the Traffic Management Plan (TMP) application. \$170.00 per TMP

WATER SUPPLY & METERS

Connection (all connections need approval)

(A)	Ordinary household water connection (15mm)	\$800.00
(B)	Extra-ordinary or other connections	Cost Recoverable
(C)	Fee for Termination (Service no longer required)	\$200.00

Note: The basic water connection fee will be reduced by 10% (\$80 each) on second and subsequent meters if more than one meter is connected at the same time.

Supply (including extraordinary users)

(A)	Bulk Water Meter Outlets at Pukekohe and Waiuku	\$3.50/m3
-----	---	-----------

- (B) All Water Supplies (with effect from 1 July 2008) \$1.95/m³
- (C) An extra 25% charge will be added to the per cubic charge on all Franklin District water supplies for consumption in excess of 200m³ per six month billing period.

Meters

- (A) Meters will be read approximately every six months and there will be a minimum charge of \$25.00 per account
- (B) Special Readings (3 working days notice) \$50.00
- (C) Special Readings – Urgent \$65.00
- (D) Installation and removal of flow restrictor (Due to non-payment of account) \$150.00
- (E) Testing fee (if meter not faulty) (Meters larger than 20mm at cost, deposit \$500) \$100.00
- (F) Fee for Termination (Service no longer required) \$200.00
- (G) Bulk Meter Permanent Key Deposit and Security \$1,000.00
- (H) Bulk Meter Daily Administration Key Charge (For temporary key allocation and meter billing) \$50.00

WASTE WATER

Connection

- (A) Basic connection fee for each lateral connection to Council sewer \$60.00
- (B) Installation costs (not required where lateral is already in existence) Cost + 10%
- (C) As an incentive to encourage connections to new Sewerage

Schemes, the following fees and charges are for a period of three months from the time a connection can be made.

PIM Application Fee	\$20.00
Consent Application Fee	\$40.00
Inspection Fee (for one inspection)	\$50.00
Compliance Certificate	No Charge
Sewer Connection Fee	No Charge

Where specific capital works are to be funded by a special rate in accordance with Section 55 of the Rating Powers Act 1988, schools be given the option of meeting their share of the costs by way of a lump sum contribution. (Owing to the Ministry of Education's policy that it will only provide a one off reimbursement of the Schools' share of capital costs.)

SOLID WASTE

Refuse Stickers

- (A) From 1 July 2009 \$2.00 per sticker
- (B) Either 10 old stickers for 9 new stickers; or 1 old sticker plus \$0.20 for one new sticker when exchanging less than 6 stickers.

Note: No cash refunds will apply to any stickers purchased and no exchange will be Accepted for stickers purchased before 1 November 2001.

Wheelie Bins

Tuakau Wheelie Bin Replacement	\$40.00
--------------------------------	---------

Recycling Bins

Pukekohe, Tuakau, & Waiuku recycling Bin New/Replacements/Additional	\$12.00
--	---------

The three fees listed below are proposed to support the proposed Solid Waste Bylaw to be effective once adopted by Council. The proposed Solid Waste Bylaw will be subject to separate public consultation.

Uncollected Waste

Waste (as defined in the Waste Bylaw) left in the waste collection area after 6.00 pm the day following the normal collection day and removed by Council (except where the collection was to be undertaken by Council) \$25 (including gst) for each bag or bin

	(3 hours)	thereafter	
(A)	Standard Rates	\$150.00	\$37.50
(B)	Concession	\$75.00	\$18.75
(C)	Concession after 6 pm & weekends	\$112.00	\$28.12

Shopping Trolleys and Baskets

Seizing, impounding, transporting and storing each shopping trolley or basket recovered by Council from a public place, waterway or channel \$25 (including gst) for each shopping trolley or basket

		Minimum Charge (first performance)	Subsequent performances
(D)	Theatre Lights	\$70.00	\$15.00
(E)	Kitchen - Minimum 3 hours	\$40.00	

Licence fee

Any person involved in the collection and/or transportation of household waste, commercial waste, green waste, hazardous waste or inorganic waste (excluding recyclable material) from, within or to the Franklin District, where the total amount of waste to be collected and/or transported in any 12 month period will exceed 20 tonnes \$100 (including gst) per annum

Concert Chamber

		Minimum Charge (3 hours)	Hourly Charge thereafter
(F)	Standard Rate	\$75.00	\$18.75
(G)	Concession	\$37.50	\$9.40
(H)	Concession after 6 pm and weekends	\$56.25	\$14.00
(I)	Bond - Functions with Alcohol	\$300.00	
(J)	Bond - Other functions	\$150.00	

TOWN HALLS

Standard and Concession Hire

For all Halls the following hirers qualify for concession charges unless otherwise specified:

Charitable organisations including community groups, public meetings and church groups (also school groups for Tuakau Town Hall).

All other hirers including private functions such as weddings, political and trade union groups, sporting bodies, Government departments and business groups are considered to be standard unless otherwise specified.

Pukekohe Town Hall

Main Hall (includes use of kitchen)

Minimum Charge

Hourly Charge

(K)	Long Term Hire Rate		50% of the normal hire fee, long term hire being three days of continuous hire or longer.
(L)	Mandatory Waiving of Hall Hire		Auckland Blood Donor Centre - 2 x yearly. Pukekohe Senior Citizens Club - regular meetings. Public meetings of district or locality significance – with no political bias, no door charges.

Pukekohe Borough Building Community Rooms (x2)

	Below 4 hours	4 – 7 hours	8 hours
(A) Standard Rates	\$15.00	\$11.25	\$9.00
(B) Concession	\$7.50	\$5.60	\$4.50
(C) Kitchen including crockery	\$7.00	\$5.25	\$4.20
(D) Bond – Functions with Alcohol	\$300.00	\$300.00	\$300.00
(E) Bond – other functions	\$150.00	\$150.00	\$150.00

Franklin The Centre : Courtyard

Courtyard

(A) Standard Rates	\$80.00	\$56.00	\$44.00
(B) Concession	\$40.00	\$28.00	\$22.00

Display Area (2.5m x 2.5m)

(A) Standard Rates	\$20.00	\$14.00	\$11.00
(B) Concession	Free	Free	Free

Waiuku Community Hall (Includes the use of the Kitchen.)

	Minimum Charge (3 hours)	Hourly Charge thereafter
(A) Standard Rate	\$45.00	\$11.25
(B) Concession	\$22.50	\$5.60
(C) Concession after 6 pm & weekends	\$33.75	\$8.45
(D) More than one day/night		\$166.00 per day
(E) Concession		\$83.00 per day
(F) Bond - Functions with Alcohol		\$300.00
(G) Bond - Other Functions		\$150.00

Waiuku War Memorial Hall

Main Auditorium (includes the use of the kitchen)

	Minimum Charge (3 hours)	Hourly Charge thereafter
(A) Standard Rate	\$45.00	\$11.25
(B) Concession	\$22.50	\$6.00
(C) More than one day/night		\$100.00 per day
(D) Bond - For Functions with Alcohol or Extended Time		\$300.00
(E) Bond - Other Functions		\$150.00

Kitchen

(F) Tea making/heating facilities charge	No extra charge
(G) Full kitchen facilities	\$30.00

Committee Room

	Minimum Charge (3 hours)	Hourly Charge thereafter
(H) Standard Rate	\$15.00	\$4.00
(I) Concession	\$7.50	\$2.00
(J) Bond - Functions with Alcohol or Extended Time		\$100.00
(K) Bond - Other Functions		\$40.00
(L) Mandatory Waiving of Hall Hire:		
Public meetings of district and locality significance - no political bias, no door charges		

Tuakau War Memorial Hall

Tuakau War Memorial Hall Charges Bonds

(A) Booking Fees	1/3 of total fee payable
(B) Key Bond for all rooms	\$20.00

Tuakau War Memorial Hall Charges – Normal Hire

		Hall or Supper Room	Hall & Supper Room	Meeting Rm Downstairs	Upstairs Rooms
(C)	Bond	\$150.00	\$150.00		
(D)	Day Charge	\$83.00	\$166.00		
(E)	Night Charge	\$83.00	\$166.00		
(F)	24 Hour Charge	\$166.00	\$333.00		

Tuakau War Memorial Hall Charges – Hire with Alcohol

(G)	Bond	\$300.00	\$300.00		
(H)	Day Charge	\$100.00	\$166.00		
(I)	Night Charge	\$100.00	\$166.00		
(J)	24 Hour Charge	\$200.00	\$333.00		

Tuakau War Memorial Hall Charges – General Hire

(K)	Meeting Room Only				\$25.00
(L)	Whole Upstairs Area				\$66.00
(M)	Church Use (Services)	\$25.00	\$50.00	\$16.60	
(N)	Sporting Groups (Sporting Fixture)	\$25.00	\$50.00		
(O)	Senior Citizens (Hall) Normal Fee less 50%				
	Senior Citizens (Hall & Supper Room) Normal Fee less 50%				
	Senior Citizens (Supper Room)	\$10.00			
(P)	Church Use (Commercial Venture)				Normal Fees Apply for all rooms
(Q)	Political Meetings				Normal Fees Apply for all rooms
(R)	Commercial Users				Normal Fees Apply for all rooms
(S)	Schools				Normal Fees Apply for all rooms

(T)	Old Settlers Association	Normal Fees less 50% for all rooms
(U)	Blood Donors, Community Meetings, Anzac Day, Civil Ceremonies, Carol Services, RSA Committee Meetings	Free
(V)	Where full fees and charges apply (unless otherwise stated) those persons residing within the Tuakau hall levy area will receive a 20% discount.	
(W)	Public Meetings	Free

Hamilton Estate Community Hall

	Per hr rates	Below 4 hours	4 – 7 hours	8 hours
(A)	Standard rate	\$15.00	\$11.25	\$9.00
(B)	Concession rate	\$7.50	\$5.60	\$4.50
(C)	Bond – with Alcohol	\$300.00	\$300.00	\$300.00
(D)	Bond – other	\$150.00	\$150.00	\$150.00

PENSIONER HOUSING

Uniform Charge Throughout the District

(A)	Single Units	\$97.00	per week
(B)	Double Units	\$148.00	per week

OPEN SPACE AMENITIES

Cemeteries

Plot Purchase

(A)	Adult	\$1,175.00
(B)	Children(Children 15 or under)	\$323.00
(C)	Ashes	\$375.00

(D)	RSA	No Charge
-----	-----	-----------

Maintenance in Perpetuity

(A)	Adult	\$200.00
(B)	Children (Children 15 or under)	\$107.00
(C)	Ashes	\$95.00
(D)	RSA	No Charge

Out of District Plot Surcharge

20% Surcharge to apply to all classes of burial.

Notes:

This fee is only charged on plot purchase and maintenance in perpetuity.

If a person from out of the District has died, and a plot is purchased at time of death, the out of district fee is CHARGED.

If a person from out of the District has died, and already owns a plot or is being buried in an existing plot, the out of district fee is NOT CHARGED.

(A)	Adult - 20% of plot purchase + maintenance in perpetuity	\$252.00
(B)	Children (Children 15 or under) - 20% of plot purchase + maintenance in perpetuity	\$86.00
(C)	Ashes - 20% of plot purchase + maintenance in perpetuity	\$89.00
(D)	RSA – 20% of plot purchase + maintenance in perpetuity	No Charge

Interment Weekdays

(A)	Adult and RSA	\$700.00
(B)	Children (Children 6 to 15 years)	\$430.00
(C)	Children (Children 5 or under)	\$228.00
(D)	Ashes, Foetus, Stillborn	\$192.00
(E)	Disinterment	\$1,400.00

(F)	Reinterment	\$1,400.00
-----	-------------	------------

Interment Saturday Morning Surcharge

(A)	Adult and RSA	\$210.00
(B)	Children (Children 6 to 15)	\$140.00
(C)	Children (5 or under)	\$97.00
(D)	Ashes, Foetus, Stillborn	\$16.00

Interment Saturday Afternoon Weekends & Public Holidays Surcharge

(A)	Adult and RSA	\$300.00
(B)	Children (Children 6 to 15)	\$200.00
(C)	Children(5 or under)	\$139.00
(D)	Ashes, Foetus, Stillborn	\$40.00

Additional Fees

(A)	Large Casket	\$100.00
(B)	Concrete Breaking	\$100.00
(C)	Mats	\$40.00

Other Fees

(A)	RSA Plaques	\$21.00
(B)	Headstone Permits	\$14.00
(C)	Late Arrival - After One Hour of Booked Time	\$100.00

Sportsgrounds

The following charges are per season

Junior Club Charges

Notes: * For Junior charges a junior is classified as being under 18 years of age

(A)	Junior Club Charges	\$1.00 per head	Tuakau Tennis Club	\$200.00	per
(B)	Casual use of recreation facilities by Juniors will be 50% of senior charges below		season		
	Casual Field Hire		Tuakau Netball Club	\$200.00	per season

Notes: Providing there is no clash with regular clubs using the fields.\$100.00* per field

Senior Field Hire

The Senior seasonal charge is made per playing field irrespective of the number or hirers for the following Sportsgrounds (Recreation Reserves) in Franklin District

Bledisloe Park, Colin Lawrie Playing Fields, Rosa Birch Park, Kennelly Park, Counties Stadium No 2, Dr John Lightbody Reserve (excludes Tennis Club and Netball Club see below), Tuakau Domain Recreation Reserve, Massey Park, Hamilton Estate Playing Field, Karaka Sportsground, Patumahoe Domain Recreation Reserve (includes the Sportsgrounds at Clive Howe Road, Patumahoe), Clarks Beach Recreation Reserve, Puni Recreation Reserve, Waiau Pa Domain Recreation Reserve, Onewhero Domain Recreation Reserve, Mercer Domain Recreation Reserve, Glenbrook Recreation Reserve, Matakawau Domain Recreation Reserve

Winter Sporting Codes - Senior Field Hire for the season

Rugby	\$706.00	per field
Rugby League	\$706.00	per field
Soccer	\$706.00	per field
Hockey	\$706.00	per field

Summer Sporting Codes - Senior Field Hire for the season

Touch Rugby touch fields	\$818.00	per two
-----------------------------	----------	---------

Note: Two Touch Fields are the equivalent of one standard field.

Cricket	\$818.00	per field
Twilight Cricket	\$818.00	per field
Athletics	\$818.00	per field

Dr John Lightbody Reserve

Addition to fees and charges for charge grounds

Should Council sports grounds (Recreation Reserves) be closed to enable a club to charge admission, then a levy of 10% of the takings will apply.

Parks and Reserves

Please refer above for policy on Juniors

Leases

- (A) Where lessees share facilities/land they will be charged proportionate to their use, and irrespective of the apportionment, the following minimum annual charge shall apply\$168.75.
- (B) Rental payment on leased Council owned land described in Part II(a) (i)-(v) of the Second Schedule to the Rating Powers Act 1988 and for Playcentres or any such like organisation shall be equal to 50% of the General Rates for that property.

Cellular Network Sites

Cellular radio communication devices located on Council land, buildings or road reserves will be charged a current market rent negotiated between Council and the lessee.

BUILDING

Project Information Memoranda

- (A) **Class A**
For minor activities such as the installation of free standing solid fuel fire appliances, minor electrical and plumbing and drainage installations, the construction of a deck or garden shed. Generally work valued less than \$5,000 \$35.00

(B) **Class B**
 For uncomplicated projects such as farm sheds, packing sheds, drainage installations and moderate sized electrical and plumbing installations. Generally work valued less than \$20,000.00. \$92.00

(C) **Class C**
 For moderately complicated projects such as dwellings, single storey commercial and industrial projects, septic tank drainage installations, and major plumbing and electrical projects generally work valued less than \$180,000.00 \$317.00

(D) **Class D**
 For all projects not coming within the classes A, B or C such as multi-storey commercial and industrial projects and other projects of a specialised nature.
Fee: Actual and Reasonable Costs at \$90.00 per hour with a \$317.00 minimum

Building Consents

Lodgement Fee

A non-refundable building consent application, lodgement fees payable on application as per scale, (minimum fee \$65.00).

Estimated Value of Building Work (\$)	Housing, Outbuildings Commercial, Ancillary	Communal residential, Communal non-residential & Industrial
(A) 0 - 9,999	\$100.00	\$200.00
(B) 10,000 - 49,999	\$200.00	\$300.00
(C) 50,000 - 99,999	\$300.00	\$400.00
(D) 100,000 - 999,999	\$400.00	\$500.00
(E) 1,000,000+	\$500.00	\$700.00

Processing Fee

(A) A processing fee based on actual cost of processing any particular application, incorporating actual staff time, overheads, disbursements and GST. \$112.00 per hour

Documentation & Storage Fee

(A) For the storage of Documents and Information relating to Building Consent Applications.
0.25% of the estimated value of the building work with a maximum fee of \$850.

Building Work Inspection Fees

(A) For each inspection of building work over an estimated value \$5,000. \$112.00

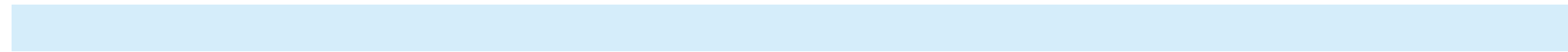
(B) For each inspection of building work under an estimated value \$5,000. \$73.00

(C) For each inspection of used building materials before reusing same in a building. \$120.00

(D) When, during construction, deviations from the approved plans occur, or where non-compliance with the NZ building code occurs, in either case to such an extent as to require amending plans to be submitted, a fee in addition to any other fee already paid.

Building Consent Processing and Lodgement Fees apply.

(E) For the re-inspection of building work up to the time of completion where deviation from the approved plans occur,



<p>or where non-compliance with the NZ Building Code occurs, such fees to be paid prior to inspection or before the Code Compliance Certificate is issued.</p>	<p>\$112.00</p>	<p>(C) For any Inspection of work that may be deemed necessary in connection with any building in respect of which no fee has otherwise been paid..</p>	<p>\$112.00</p>
<p>Code Compliance Fees</p> <p>For the Granting and Issuing of a Code Compliance Certificate:</p>		<p>(D) For the preparation and issuing of a Code Compliance Schedule</p>	<p>\$160.00</p>
<p>(A) For building work of an estimated value greater than \$5,000.00</p>	<p>\$112.00</p>	<p>(E) For the issuing of a Code Compliance Schedule where alterations are requested to an existing code Compliance Schedule</p>	<p>\$100.00</p>
<p>(B) For minor building work of an estimated value less than \$5,000.00</p>	<p>\$72.00</p>	<p>(F) For the Lodgement of Building Warrant of Fitness</p>	<p>\$55.00</p>
<p>(C) If requested more than one month after completion of the building work.</p>	<p>\$112.00 plus inspection fee</p>	<p>(G) For carrying out an audit of a Building Warrant of Fitness</p>	<p>\$165.00</p>
<p>Accreditation Fee</p> <p>A fee towards the cost of BCA accreditation and registration</p>		<p>(H) For an application to consider a waiver from, or modification to, any provision of the Building Code</p>	<p>\$132.00</p>
<p>(A) For all building work that requires a building consent or Where a certificate of acceptance is sought. 0.05% of the estimated value of the building work with a Maximum fee of \$1,000.</p>		<p>(I) For obtaining a copy of the Certificate of Title to a property.</p>	<p>\$35.00</p>
<p>Special Building Duties And Service</p>		<p>(J) For the registration of a Certificate for building over the boundaries of two or more allotments in accordance with Sections 77 and 78 of the Building Act 2004.</p>	<p>\$130.00 per Lot</p>
<p>(A) For the Inspection of buildings to be moved from their existing site outside the boundary of the Franklin District to a new site or place within the Franklin District (per hour of staff time) plus Charge per kilometre travelled one way from Pukekohe</p>	<p>\$112.00 \$1.50</p>	<p>(K) For the registration of a Notification for building on land subject to special consideration under Section 73 of the Building Act 2004.</p>	<p>\$130.00 per Lot</p>
<p>(B) For the inspection of a building to be moved from its existing site or place to a new site or place within the Franklin District.</p>	<p>\$120.00</p>	<p>(L) For the application for Independent Qualified Person Approval.</p>	<p>\$150.00 plus \$80.00 per feature, or system</p>
		<p>(M) For the inspection and assessment of unauthorised building work for compliance with the dangerous, earthquake, and insanitary provisions of the Building Act 2004.)</p>	<p>\$150.00</p>
		<p>Inspection Fee and an Hourly Rate of Minimum</p>	<p>\$112.00 \$262.00</p>

(N)	For an application for a Certificate of Acceptance under Section 97 of the Building Act 2004. Building consent processing and lodgement Fees apply. (\$562 minimum)	\$450.00 plus \$112 per inspection
(O)	For an application to consider an exemption under the Fencing of Swimming Pools Act 1987	\$400.00
(P)	Street/Road Damage Deposit Per street frontage, for building built on:	
	Residential Site	\$600.00
	Industrial Site	\$1,500.00
	Per street frontage, for building relocated off site	\$1,500.00
(Q)	Building Research Association of New Zealand Levy (\$1 per \$1,000.00 of estimated value when the estimated value is \$20,000 or more). No GST	As per statute
(R)	Department of Building and Housing Levy (\$0.97c per \$1,000.00 of estimated value when the estimated value is \$20,000 or more).	As per statute
(S)	Stormwater engineering assessment on building consents	\$160.00 excl GST

EXECUTIVE AND COMMITTEE SUPPORT

Requests for Information under Local Government Official Information Meetings Act 1987

All information requests are handled according to the Management Protocol for Charging for Official Information. Unit Managers are responsible for all official information requests. The following fees and charges information is provided for guideline purposes only.

- | | | | |
|-----|---|---------|-------------------------------|
| (A) | For NON-COMMERCIAL requests, the 1st hour of labour is free; subsequent labour is charged at | \$38.00 | per half hour or part thereof |
| | For COMMERCIAL requests, all labour is charged | \$38.00 | per half hour or part thereof |
| (B) | Charges for photocopying, computer time and other reproduction are included in the protocol.

For small non-commercial requests, charges are waived if it is cost-effective to do so. | | |

CUSTOMER SERVICES

Land Information Memorandum

- | | | |
|-----|---|----------|
| (A) | Standard Fee | \$215.00 |
| (B) | Urgent Fee (3 day service) | \$275.00 |
| (C) | Commercial Property minimum charge as per (A) for first three hours – thereafter a rate is charged as per LGOIMA - \$38 per half hour | |

Requests for Information

- | | | |
|-----|---|--|
| (A) | First hour free – thereafter a rate is charged as per LGOIMA - \$38 per half hour | |
|-----|---|--|

FINANCE

Valuation Service Recovery Fee

- | | | |
|-----|---|----------|
| (A) | Rating Valuation Fee resulting from Building Consent (per separately Inhabitable part with an estimated valuation/s* of more than \$30,000).
*The determination of the “estimated valuation/s” will be at the sole Discretion of Council | \$120.00 |
| (B) | Rating Valuation Fee resulting from subdivision (per lot, capable Of being improved (i.e. with a dwelling unit) | \$95.00 |

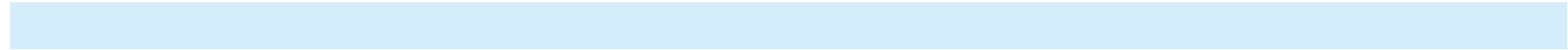
POLICY AND COMMUNICATIONS

District Plan Amendments

Note: Fees and Charges are recoverable on an actual and reasonable basis, pursuant to Section 36(3) of the Act. All Act references are to the Resource Management Act 1991. All deposits are required on lodgement or receipt of an application.

Resource Management Planner

- | | | | |
|-----|---|----------|--------------------------|
| (A) | Administration/Technician | \$76.00 | per hour or part thereof |
| (B) | Resource Management Policy Planner | \$112.00 | per hour or part thereof |
| (C) | Senior Resource Management Policy Planner | \$128.00 | per hour or part thereof |



Resource Management Policy Planner (Charge Out
Rate per Hour or part thereafter) \$75.00

Application for Change to District Plan

(A) An initial deposit fee on receipt of application \$2,500.00

Designations and Notices of Requirements

(A) Deposit and receipt of a designation or notice or requirement \$1,400.00
 (B) Where Council is required to take action under Section 182(2) consequent to the removal of a designation \$125.00
 (C) Where Council is required to decide on a Section 184 application to extend the life of a designation \$125.00

Heritage Order

(A) Heritage Notice of Requirement \$750.00
 (B) Where Council is required to take action under Section 196 consequent to the removal of a heritage order. \$125.00

Updating Plan Costs

Costs of updating District Plans following any changes to the plan.

(A) Change to the Plan \$5.00
 (B) Plus each single sided page \$0.20
 (C) Plus each double sided page \$0.35

District Plan

(A) Purchase of Operative District Plan Feb 2000 \$150.00
 (B) Annual Subscription for Update Service \$100.00
 (C) Purchase of Parts of Text or Individual Maps Photocopy Charges Apply

Community Plans (LTCCP)/Annual Plans/Annual Reports

(A) Community Plans (LTCCP) \$30.00
 (B) Annual Report/Annual Plan \$20.00

(C) One free copy of the Annual or Community Plans to be supplied to other Local Authorities, ratepayer groups and similar other organizations
 Additional copies \$20.00

REGULATORY

Regulatory Planning

Note: The following charges are deposits and are recoverable on an actual and reasonable basis. All deposits are required on lodgement of the application. For all Resource Consent Applications where significantly greater costs are incurred Council shall advise the party concerned and recover the additional costs on an actual basis, pursuant to Section 36(3) of the Act. All Act references relate to the Resource Management Act 1991, unless otherwise specified. Council may at its discretion remit all or part of the foregoing charges in accordance with Section 36(4). Refunds will be made where any deposit made exceeds the value of work done).

Notified Resource Consents Application

(A) Deposit fee for Receiving and Processing \$5,000.00

These include the following types of activities:

- Discharge to air,
- Discretionary Activities,
- Non-Complying Activities,
- Subdivision Applications
- Change or Cancellation of Consent Condition (Section 127)
- Review of Consent conditions (Section 128-132)

Hearing Fees

The hearing fee will be set as follows at actual hourly rate as per Charge Out Rate Table below:

- Regulatory Officer time at 100% cost recovery
- Committee Support Officer time for notifying decision at 100% cost recovery

- Committee Support Officer time for agenda preparation and minuting of hearing at 75% cost recovery
- Governance factor for hearing (including any site visits)/deliberation/decision at 75% cost recovery of elected members' hourly rate.

Or (where applicable)

- 75% of Commissioner's actual costs.
- The staff time will be costed per hour plus GST as per Charge Out Rate table below or as amended from time to time

(A) All applications that are heard by Regulatory or Hearings Committees, or Notified Applications heard by a Commissioner	\$350.00
--	----------

Non-Notified Landuse Consent Application

(A) Deposit fee for Receiving and Processing	\$1000.00
--	-----------

These include the following types of activities:

- Controlled Activities
- Discretionary Restricted Assessment Activities
- Discretionary Activities
- Non-Complying Activities

Non-Notified Discharges To Air

(A) Deposit Fee for Receiving and Processing	\$500.00
--	----------

Non-Notified Decision Fee

(A) Fee for Landuse and Discharges to Air Applications, Decided by a Commissioner	Actual and reasonable recovery
--	--------------------------------

Deposit Fee For Resource Consent Objections

(Includes Landuse, Subdivision and Discharges to Air Application)

(A) Deposit Fee for Receiving and Processing objections (Section 357)	\$250.00
---	----------

Monitoring of Resource Consent Applications

(A) Administration, monitoring and supervision costs for monitoring Landuse Consent Applications.	\$250.00
Follow up inspections will be charged at actual hourly Rate as per Charge Out Rate Table below	

Deposit Fee For Extension of Time / Variation / Review of Conditions

(A) Pursuant to Section 125 of the Resource Management Act (RMA)	\$250.00
(B) Pursuant to Sections 126,127,128-132 of the RMA	\$500.00

Non-Notified Subdivision Applications

(A) Urban	
Urban Two Lot Subdivision (all types)	\$1500.00
Additional Lots Deposit Fee (per additional lot)	\$50.00
First Stage cross lease	\$550.00
Second Stage cross lease	\$400.00
Boundary Adjustment	\$250.00
(B) Urban and Rural	
Right of Way creation	\$250.00
(C) Rural	
Boundary Adjustment/Relocation	\$1,500.00
Conversation Lot	\$1,500.00
General Purpose Lot, title Relocation	\$1,500.00
Road Severances, Network Utilities	\$1,500.00
Transferable Title Rights and all other subdivisions	\$1,500.00

Survey Plans

Signing and Sealing under section 223 where the subdivision includes conditions	\$150.00
---	----------

Completion Certificates

(A) Signing under Section 224(c) where minor conditions are imposed.	\$150.00
(C) Signing under Section 224(c) which includes the following: bush bond covenant, consent notice, Geotech Report checking, Checking of Engineering Plans, site visit/s by Planning, Engineering or Building and Health	\$250.00

Signing and Sealing of R-O-W

(A) Signing and Sealing of R-O-W under Section 348 of the Local Government Act 1974	\$50.00
---	---------

Section 321 Resolution Pursuant To Local Government Act

(A) Authenticated Copy of a 321 Resolution	\$25.00
(B) Approval of 321 Resolution	\$25.00

Financial Contributions/Development Contributions

(A) Financial contributions payable as per the Subdivision consent.	
(B) Additional fees will be payable for the cost of Council in obtaining valuation for reserve contributions.	

Miscellaneous Certificates and Resolutions

(A) Under Resource Management Act	\$150.00
(B) NOT under Resource Management Act	\$150.00

Liquor Licence Planning Compliance Certificate

(A) Fee	\$250.00
---------	----------

Certificate of Compliance (Section 139)

(A) Deposit Fee	\$500.00
-----------------	----------

Copies of Plans Off Microfilm

(A) Fee	\$6.00
---------	--------

Charge Out Rates - Per Hour or Part Thereafter (Excl GST)

(A) Group and Unit Managers Environmental Services	\$128.00
(B) Planning Co-ordinator, Senior Planner	\$128.00
(C) Regulatory Planners	\$111.00
(D) Regulatory Administration	\$70.00
(E) Legal Costs Associated with an Application	Actual Charge
(F) Environmental Health Officer	\$105.00
(G) Engineering	\$117.00
(H) Compliance Officer	\$105.00
(I) Senior Consultant	Actual Charge
(J) General Consultant	Actual Charge
(K) Independent Peer Review Consultant	80% Actual Charge
(L) Vehicle Charge	Current IRD Rate/Km

Requests For Information and Documents Under Local Government Official Information and Meetings Act

(A) Searching and compiling information in respect of plans, resource consents and District Plan change applications - first hour free, subsequent hours per half-hour or part thereof.	\$38.00 per half hour
---	-----------------------

Land Valuation Tribunal Section 35H Certificate pursuant to the Land Settlement and Promotion Act

(A) Fee	\$100.00
---------	----------

New or Changed Road Names

(A) Annual Fee payable by all Companies receiving the information for commercial use	\$56.25
--	---------

Return Fee for Seized Appliances

(A) Administration Fee per seizure	\$50.00
(B) Per response in a Metropolitan Zone*	\$60.00
(C) Per response in a Rural Zone	\$120.00

* Metropolitan Zone includes all properties in the urban areas of Pukekohe, Waiuku and Tuakau and the properties located adjacent to and within two kilometres of the main road between the urban areas of Pukekohe, Waiuku and Tuakau.

Miscellaneous Environmental Health

Food Premises Registration

All food premises are assessed for an annual registration fee based on the following:

(A) Administration Fee	\$70.00
(B) Inspection Fee and re-grading inspection fee	\$195.00 per inspection
(C) Non Compliance Fee (re-inspection)	\$195.00
(D) Umbrella Low Risk Food Licence Fee	\$650.00

Inspections

(A) Inspections will range from 1 to 3 per year in accordance with the following risk assessment procedure:

Risk Assessment Procedure

This system is utilised in two distinct ways. It is used to calculate the number of times a premises is to be inspected in the succeeding year and then this factor is used to calculate the fee to be paid.

Food Risk Factor 1-5

Number of items in latest requisition

1-10 items	2
11-15 items	4
16-20 items	6
more than 20 items	8

Training of Staff Attendance of MTI

Or similar within 3 years	0
More than 3 years	4
No training	8
Operative cleaning schedule	Yes 0 No 5
Regulation 5 premises	Yes 4 No 0

The food risk factor is based on the type of food being handled on the premises. For example there is a very low risk associated with the sale of root vegetables. There is however a high risk associated with premises cooking chicken for consumption on the premises. Such a premise would have a 5 risk factor.

The total is divided by 10 to give a number between 1 and 3. This indicates the number of inspections that need to be scheduled in the forthcoming year. This multiplier is also used to calculate part of the fee that is to be paid.

A well run premises in good condition that is handling a low risk food will pay no more and in some cases less than at present. Poorly run premises will receive more frequent visits and will pay considerably more.

(B) Food premises Day Licences (excepting those operated by non-profit organisations)	\$50.00
---	---------

Trading in Public Places

(A) Up to 6 months	\$60.00
(B) 6-12 months	\$120.00

Other Licences / Registration

(A)	Mobile Food Vehicle	\$130.00
(B)	Camping Grounds	\$260.00
(C)	Hairdressers	\$115.00
(D)	Offensive Trades	\$260.00
(E)	Funeral Parlours	\$220.00
(F)	Transfer of Licence	\$50.00
(G)	Duplicate of Licence	\$20.00
(H)	Saleyards	\$183.00
(I)	Amusement Devices	\$11.25
(J)	Reinspection fee for all Licence or Registered premises	\$95.00 per inspection
(K)	Gaming Machine – Class 4 Venue Consent	\$500.00 per application
(L)	Relocatable Home Park Consent	\$260.00 per application

Dog Control

Dog Registration – 2009/10 Year

All fees apply from 1 July 2009 and the penalty shall apply from 4.00 pm on 1 August 2009

	Fee	Penalty	Total
\$	\$	\$	
(A) General Dog (Entire)	80.00	20.00	100.00
(B) General Dog (Neutered/Spayed)	60.00	20.00	80.00
(C) Dog Owner Licence (Neutered/Spayed)	35.00	17.00	52.00

(D)	Dog Owner Licence (Entire)	50.00	20.00	70.00
(E)	**Working Dog (Neutered/Spayed)	40.00	20.00	60.00
(F)	**Working Dog (Entire)	55.00	20.00	75.00
(G)	***Station Dog	27.00	13.00	40.00
(H)	Seeing/Hearing Dogs	5.00		
(I)	Dangerous Dog (Section 32 of Dog Control Act)	120.00	150.00	270.00

**** WORKING DOG**

For the purposes of setting registration fees only, a working dog may be any dog kept solely or principally for the purpose of herding or driving stock and located, housed and registered as being on a property of over **four** hectares in area and zoned rural in the District Plan.

***** STATION DOG**

For the purposes of setting registration fees only, a station dog may be any dog kept solely or principally for the purpose of herding or driving stock and located, housed and registered as being on a property of over **twenty** hectares in area and zoned rural in the District Plan.

Note: A statutory declaration may be requested by the Compliance Unit Manager as proof of such a dogs acceptability for this classification.

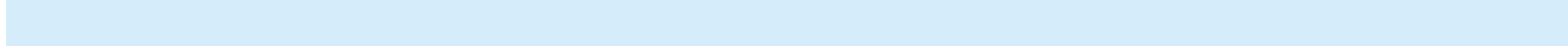
Miscellaneous

As from 1 July 2006

(A)	Collars	\$10.00
(B)	Replacement Tags	\$3.00
(C)	Dog Owner Licence (Manual)	\$10.00

Impounding

(A)	First Offence	\$40.00
(B)	Second Offence	\$80.00
(C)	Third Offence	\$120.00



Plus \$200 Dog Infringement Notice if within 12 months of first impounding	
(D) Signed Destruction's	\$40.00
(E) Sustenance fee (per day)	\$12.00
(F) Microchipping Fee for dogs released from dog pound	\$35.00
(G) Consent To Keep More Than One Dog (Clause R, of Dog Control Bylaw 1991)	
Application Fee for Permit	\$50.00

Stock Control

That pursuant to Section 14, 15 and 16 of the Impounding Act 1955 the Council set the following Fees for Impounding, Driving, Wandering and Trespassing of Stock.

Impounding

Fees for Poundage and Sustenance	
(A) For every horse, mule/ass, bull, cow, ox, steer, heifer, deer	
Fees for Impounding (first day or part of day.)	\$25.00
Subsequent Days (standard fee)	\$10.00
Sustenance Fee per day or part of day	\$5.00
(B) For every ram, ewe, wether, lamb, goat, boar, sow, pig or calf	
Fees for Impounding (first day or part of day.)	\$15.00
Subsequent Days (standard fee)	\$5.00
Sustenance Fee per day or part of day	\$2.00
(C) In addition to above fees	
Giving notice (advertising) of Impounding in respect of any stock impounded	
(D) For writing and delivery of any notice or sending of any notice	

by post.	\$20.00
(E) For advertisement in any newspaper in addition to actual cost of insertion.	\$20.00

Repeat Impounding

(A) Where stock, not necessarily the same animal, but owned by the same person is impounded on a second or subsequent occasion the poundage fee shall be twice that of the initial impounding.

Droving Charges

(A) In the case of any stock found trespassing, straying or wandering on any road, the owner shall pay to the Council all actual and reasonable costs, including GST, incurred in loading, driving or conveying the stock from the place where it is found to the nearest Pound or to the place where it is delivered to the owner.

This shall so include all the costs of transportation and all cost incurred by Council for the attendance, call out, and any costs of all vehicles from and return to place of despatch, provided that no charge shall be less than \$20.00.

Trespass Fees

Trespass on any paddock of grass or stubble:	
(A) For every horse, cattle, beast, deer, ass or mule	\$3.00
(B) For every sheep	\$1.00
(C) For every pig or goat	\$6.00
Trespass on any land bearing any growing or from which the crop has not been removed or in any reserve, cemetery or burial ground:	
(A) For every horse, cattle, beast, deer, ass or mule	\$6.00
(B) For every sheep	\$2.00
(C) For every pig or goat	\$12.00

HSNO/RMA MONITORING INSPECTION

(A)	Installation of Oil Burning Equipment	\$95.00
(B)	Installation of Liquefied Petroleum Gas Equipment	\$95.00
(C)	Installation of Compressed Natural Gas Equipment	\$95.00
(D)	Installation of Petroleum Storage Tank	\$95.00
(E)	Installation of Petroleum Pump	\$47.50
(F)	Removal of Petroleum Storage Tank	\$95.00
(G)	Removal of Petroleum Pump	\$47.50
(H)	Removal of Petroleum Tank and Pump	\$95.00
(I)	Removal and Refixing of Petroleum Tank or Pump	\$95.00
(J)	Repairs or Maintenance Entailing Disconnection or any Pipe Connection	\$71.00
(K)	Testing Bulk Installation Pipelines	\$95.00
(L)	Inspection of all Bulk Tanks requiring repairs or maintenance	\$95.00
(M)	Inspection of Class 4, 5 and 8 Installations	\$95.00
(N)	Any inspection of hazardous substances as defined in the Hazardous Substances and New Organisms Act 1996 including any inspection of equipment or installation associated with such goods if a fee is not otherwise specifically provided for.	\$95.00

Liquor licensing

Liquor Licences and Manager's Certificates and renewals thereof as per statute

listed as follows:

(A)	On-Licence / Renewal	\$776.00
(B)	Off-Licence / Renewal	\$776.00

(C)	Club Licence / Renewal	\$776.00
(D)	Variation / Cancellation	\$776.00
(E)	Managers Certificate / Renewal	\$132.00
(F)	Special Licence	\$63.00
(G)	Temporary Authority	\$132.00

Disbursements

Faxes

(A)	Per Page	\$0.50 excl GST
-----	----------	-----------------

Photocopying

(A)	Per Sheet of A4 Paper	\$0.20 excl GST
(B)	Per Sheet of A3 Paper	\$0.40 excl GST

Postage, Toll Calls, Cost of Obtaining Certificate of Title,

Advertising (Notification) Actual Cost

GENERAL NOTE REGARDING LISTED FEES & CHARGES

While Council has aimed to provide an exhaustive and accurate schedule of charges, if any errors or omissions are identified, charges will be calculated by reference to the appropriate underlying authority/ resolution. Council reserves the right to vary and introduce fees and charges at its discretion.

POLICY ON DEVELOPMENT OR FINANCIAL CONTRIBUTIONS

Part A - Discussion

1 Introduction

- 1.1 Local Government Act and Requirements for a Development Contribution Policy
- 1.2 Development Contributions, Financial Contributions and the Preferred Option
- 1.3 Use of Development Contributions and their Maximums

2 Population Growth and Impact of Demand

- 2.1 Population Growth
- 2.2 Impacts of Demand

3 Funding

4 Nature of Council's Assets

5 Calculation of Cost of Growth

- 5.1 Asset Costs
- 5.2 Demand and Reasons for Development Contributions

6 Development Contributions Options

- 6.1 Explanation
- 6.2 Unit of Demand and Equivalent Development Units (*edu*)
- 6.3 Options
- 6.4 Conclusion

Part B - Development Contributions Policy - Explanation

7 Principles and Objectives

- 7.1 Overall Principles
- 7.2 Objectives

8 Summary of Growth Capital Expenditure Incurred

9 Infrastructure Outcomes

- 9.1 Water Supply and Treatment
- 9.2 Wastewater Collection and Treatment
- 9.3 Stormwater
- 9.4 Reserves and Open Space Amenities

- 9.5 Community Infrastructure

- 9.6 Transportation

10 Benefit, Significant Assumptions and Level of Uncertainty

- 10.1 Distribution of Benefits
- 10.2 Period of Benefit
- 10.3 The Extent to Which Action-Inaction Contributes
- 10.4 Distinction Between Activities
- 10.5 Impact on Revenue Liability
- 10.6 The Significant Assumptions and Level of Uncertainty

11 Methodology for Applying Development Contributions

- 11.1 Capital Expenditure and Demand Unit Explanation
- 11.2 Cost of Growth Relating to Methods
- 11.3 Capacity Life Adjustment

12 Development Contribution Methodology

- 12.1 Water
- 12.2 Wastewater
- 12.3 Stormwater
- 12.4 Reserves and Open Space Amenities
- 12.5 Community Facilities
- 12.6 Transport Infrastructure
- 12.7 Special Activities

13 Remissions, Refunds, and GST

Schedule of Development Contribution Payable & Timing of Collection

14 Development Contribution Payable

15 Requirement for and Timing of Development Contributions

16 Cost Share Arrangements

Appendix

Definitions

In June 2009 Council made a decision to the effect that the Development Contribution charges of 2008/09 will apply from 1 July 2009 to 30 June 2010. Please note that there are minor variations to the 2008/09 charge - see Table 14a and 14b.

PART A – DISCUSSION

1 Introduction

1.1 Local Government Act and Requirements for a Development Contribution Policy

Section 101(1) of the Local Government Act 2002 (LGA02) requires a local authority to manage its revenues, expenses, assets, liabilities, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

The LGA02 requires Council to prepare and adopt a policy on development contributions and/or financial contributions (section 102(4) (d)) as part of its funding and financial policies, which are required to be included within the Franklin District Long Term Council Community Plan (LTCCP).

Development contributions are provided for under the LGA02 and financial contributions under the Resource Management Act 1991 (RMA).

Development Contributions are a method for collecting revenue from those who cause the need for additional infrastructure as a result of growth. They are a fiscal tool to identify and allocate, fairly and equitably, the cost of growth. A development contribution shifts the burden for providing land or funds for certain infrastructure from the Local Authority (and its ratepayers) to the person who causes the need for that infrastructure.

Council has to determine, as part of its LTCCP, whether it will retain or alter the existing financial contributions (in the Operative District Plan) or introduce new development contributions.

Inclusion of the development contribution provisions in LGA02 recognises the pressures and costs that Councils face from population growth and associated development. The LGA02 specifies a framework for identifying and funding the cost of growth and sets out principles in regards to providing for the foreseeable needs of future generations.

The LGA02 includes a number of principles (s.14) which a local authority must act in accordance with when performing its role, including:

To "...ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district..." (s.14(1)(g)).

In decision making, Council shall take account of "...the interests of future as well as current communities;" (s.14(1)(c)(ii))

In taking a sustainable development approach, Council shall take into account the "...reasonably foreseeable needs of future generations..." (s.14 (1) (h) (iii)).

These principles are in accordance with the overall purpose of local government as specified in section 10(b) of LGA02 – “to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.”

Given these clear directions, and in particular the obligation to manage growth and the equitable allocation of costs, the Council has adopted a funding policy that incorporates development contributions.

1.2 Development Contributions and Financial Contributions and the Preferred Option

There are differences between the development contributions required under the LGA02 and the financial contributions provided for under the RMA.

1.2.1 Financial Contributions

Financial contributions are those included in the Franklin District Plan, which are taken to off-set any adverse effects arising from subdivision and development.

Financial contributions are primarily concerned with the adverse environmental effects arising from growth or new development.

Financial contributions are currently taken for roading (District wide and local roading impact) and public parking, and are limited to where resource consents (subdivision and new allotments) are required.

1.2.2 Limited Focus and Application

Financial contributions are focused on the purposes and principles of the RMA rather than the broader objective of funding the cost of growth, which is the purpose of development contributions under the LGA02.

A central issue for managing the District's growth is the impact of growth on Council's infrastructure. The provisions for financial contributions under the RMA do not adequately address the true costs of growth to the District and are limited to a narrower range of activities than those for which growth costs are incurred. A further concern is that a significant portion of the present cost of growth clearly falls upon existing ratepayers.

The development contribution methodology adopted recognises the fundamental principle that the cost of growth should fall primarily upon the cost causer, while at the same time acknowledging that significant benefits also accrue to others in the wider community; this aspect is recognised in the methodology.

Development contributions provide a clear means for equitably funding the true cost of growth that is not available through the regime of financial contributions.

It is considered that the financial contributions policies, objectives and rules in the District Plan do not meet Council's funding and financial policy obligations for funding growth-related capital expenditure, as required under the LGA02.

In addition to considering the extent to which developers contribute to the need to undertake each activity, and the distribution of benefits arising from each activity, the Council has also given consideration to the matters contained in section 101(3) of the LGA02, as outlined further in this Policy and in the District Growth Strategy.

1.2.3 Local Financial Contributions

As will be seen from later discussion, the costs of growth have been aggregated on a district-wide basis – (refer to Sections 11 and 12 for the methodology followed). To that extent, development contributions have completely replaced the District Wide financial contributions as described in Part 10 of the District Plan. The identified growth costs summarised herein are more completely described in the LTCCP.

However, particular circumstances can sometimes arise where the impact of a development on the local infrastructure is significant, yet will not have been identified as a specific capital works in the LTCCP.

The District Plan provides under Section 10.2.5:

Where in terms of the policies of the Plan a contribution is required for roading outside but in the vicinity of the land being subdivided or developed (and which is additional to any contribution payable under 10.2.3 . . .) that contribution shall not exceed:

. . . in the case of a land use activity, the total cost of avoiding, remedying or mitigating the identified adverse traffic effects . . .

Local financial contributions under the District Plan may therefore still be levied in special cases, and will be in addition to the development contribution fee.

1.2.4 Regional Growth Obligations

Franklin District Council is located within both the Auckland Regional Council (ARC) and Waikato Regional Council (WRC) territorial authority areas. The ARC have adopted a Regional Growth Strategy and the WRC have yet to prepare such a strategy.

The Auckland Regional Growth Strategy and the associated Southern Sector Agreement set out how growth will be managed in the Auckland Region over the next 20-50 years. These documents identify preferred areas for growth and the increased capacity that each District will be expected to accommodate. The financial contributions approach is insufficient to fund the level of community infrastructure required to support this increased capacity.

Council has undertaken an assessment of the various means of addressing the impact of growth on Council's infrastructure, within which the advantages and disadvantages of financial or development contributions have been considered.

It is considered that the preparation of a development contribution policy more clearly fulfils Council's regional growth management obligations.

1.2.5 Preferred Approach

The Council has, therefore, adopted a development contributions policy in the Franklin Community Plan 2004 -2014 primarily through the application of development contributions under LGA02 for the activities of water supply, waste water collection and treatment, stormwater, transportation, community infrastructure, and open space and reserves. The policy was subsequently amended in 2006/07 which took effect on 1 July 2007 to include a 3 tiered transport rate. The policy has been subsequently reviewed as part of preparing the draft LTCCP 2009-19.

It is considered that development contributions provide a more equitable fiscal tool to fund the cost of growth, while also more clearly fulfilling the Council's regional growth management obligations, obligations under the LGA02, and giving effect to Council's District Growth Strategy.

1.3 Use of Development Contributions and their Maximums

A 'development contribution policy' means a policy included in the Franklin District LTCCP, regarding the funding of capital expenditure expected to be incurred by Council to meet the increased demand for community facilities resulting from growth. The contributions may comprise money or land or physical works or any combination of these.

Development contributions cannot be required for community facilities if they are already funded by other sources e.g. financial contributions, developer or other third parties.

Development contributions are to off-set costs of growth as opposed to operational or maintenance costs for assets. They are not to be used for renewal of existing systems or facilities, or for improvements to the level of services of infrastructure, facilities or services.

Development contributions may be taken for Community Infrastructure, Network Infrastructure or Reserves.

Community Infrastructure means (LGA2002, clause 197)

(a) Land, or utilities or structures built, owned or controlled by the territorial authority to provide public amenities.

e.g. halls, libraries, community centres, aquatic and recreation centres.

Franklin Council deals with land acquired for community Infrastructure purposes under Open Space Amenities activity.

Network Infrastructure means:

- Roading systems
- Water, Wastewater, Stormwater

Reserves means:

- Land owned or managed by Council for open-space parks, reserves, recreation and community facilities

Special purpose reserves such as those required for stormwater works, riparian margins to open drains and access to those drains are not included here

- Development associated with such reserves including sport facilities on them such as stadiums, playing courts and special surfaces, and sports clubrooms.

A development contribution must be used for, or towards, the capital expenditure of reserve, network infrastructure, or community infrastructure for which the contribution was required.

Development contributions for reserves must be used solely for the purchase or development of reserves within the district and may include:

- Development of community or recreational facilities associated with the use of a reserve
- Provision or improvement of recreational facilities at schools established under the Education Act 1989 and used as community recreation facilities under a specific granted licence
- Purchase or interest in conservation land
- Payments to other local authorities or public bodies to enlarge, enhance, or develop certain land for public recreation, cultural or conservation purposes

Contributions may also be used to contribute to reserves or recreational facilities, which benefit the district but which are located outside the district.

The LGA02 specifies different maximum amounts for (a) Network and Community Infrastructure and (b) Reserves.

The maximum amount of contributions for network and community infrastructure must not exceed the amount of capital expenditure for growth expected to be incurred by Council. This growth expenditure is attributed to the number of units of demand assessed for a development or type of development.

The maximum amount for reserves and associated development or facilities shall not exceed the greater of:

- 7.5% of the value of the additional allotments created by the subdivision; and
- the value equivalent of 20 square metres of land for each additional house hold unit created by the development.

2 Population Growth and Impact of Demand

2.1 Population Growth

Franklin District is one of the fastest growing local authorities in New Zealand.

The district in 2006 (2006 Census updated post enumeration survey) had a population of 60,200, and is forecast to have annual growth of around 2.1%, with a slowing of growth over the next 20 years. The population figure was updated in 2007 to 62,200.

Growth, in terms of demand for infrastructure, is a function of:

- Population increase
- Population relocation within a district
- Existing populations fragmenting into more households
- Increases or changes of business activity.

The extent of the assets (and the need for additional infrastructure) and the cost of their maintenance is increasing in line with the growth in the district. The demand for the main infrastructure networks are driven by distinct aspects of this growth as shown by Table 2.1:

Table 2.1

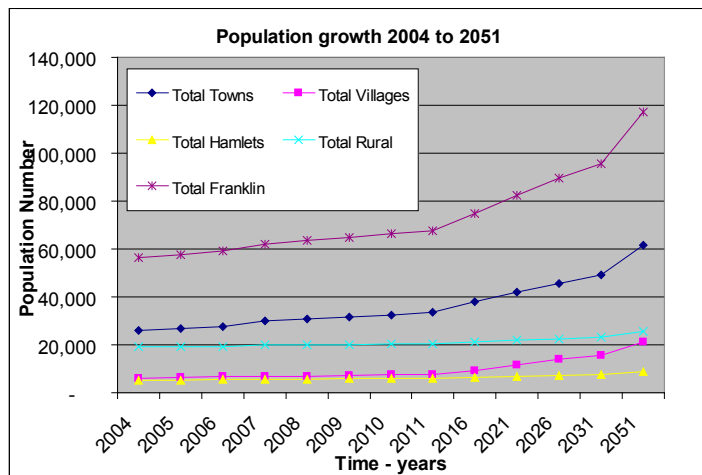
Network	Applies to	Driver
Water Supply	Urban serviced areas	Population
Wastewater	Urban serviced areas	Population
Stormwater	Urban serviced areas	Number of households
Transportation	District wide	Approximately twice as fast as population

Further information explaining the links between these drivers and the required development capital works are given in the Asset Management Plans for each activity.

There is some variation in growth across the district as illustrated in Figure 2.1.

These variations are briefly described as:-

- Faster growing settlements (3% pa or more) which are Pukekohe, Pokeno, Clarks and Waiau Beaches and Patumahoe
- Average growing settlements (at 2.1% pa) comprising Waiuku, Tuakau and other main villages,
- Other slower growing settlements



Growth rate projections are based upon the 2006 census data (refer Table 2.2). The growth rate falls off over the next 20 years (and beyond) reflecting the increasingly aged population and the consequent increasing death rates.

2.2 Impacts of Demand

Other factors and assumptions, which may impact upon demand for infrastructure, include different growth rates for population and households and local growth opportunities or constraints.

The different growth rates for population and households results from the expected change in citizens per household over the forecast period. Over the 20 years to 2029 this ratio is expected to decrease from approximately 2.8 to 2.6.

Table 2.3 – Household Growth

Area	2006 Households	2026 Households	20 yr Growth Households
Serviced towns	13,270	22,840	9,570
Total Franklin District	23,440	35,860	12,420
At persons per household	2.8	2.6	

The higher proportion of growth in serviced towns reflects the intent of the DGS; as such it is a forecast more focussed on Council's vision for the future and reflects the DGS thrust to influence development more strongly towards township focussed growth in the future. This is also reflected in the higher Capex forecasts for infrastructure services.

Figure 2.1

Council has updated its growth forecasts in conjunction with District Growth Strategy (DGS 2007) planning and work by Market Economics in 2008. In summary this forecasts the following population increases:

Table 2.2 – Population Growth

Household Growth 2004 - 2051

	2005	2006	2007	2008	2009	2010	2011	2016	2021	2026	2031	2051
Pukekohe	5,509	5,743	6,227	6,469	6,709	6,949	7,187	8,361	9,507	10,625	11,714	15,790
Waiuku	2,778	2,848	3,017	3,089	3,159	3,229	3,298	3,640	3,966	4,280	4,581	5,650
Tuakau	1,113	1,143	1,361	1,397	1,442	1,507	1,593	1,940	2,169	2,334	2,502	3,083
Total Towns	9,400	9,734	10,605	10,954	11,310	11,686	12,078	13,941	15,643	17,239	18,797	24,523
Total Villages	2,369	2,488	2,516	2,619	2,724	2,835	2,943	3,585	4,419	5,412	6,051	8,445
Total Hamlets	1,986	2,029	2,116	2,162	2,207	2,254	2,298	2,517	2,730	2,935	3,126	3,826
Total Rural	6,697	6,789	7,011	7,102	7,195	7,283	7,373	7,808	8,219	8,612	8,979	10,240
Total Franklin	20,452	21,040	22,248	22,838	23,437	24,057	24,692	27,851	31,011	34,198	36,953	47,034

file G:\A-O\ Asset Mgt plans\ Growth\ LTCCP 2009 growth data -as AMP.xls

3 Funding

Presently, additional infrastructure costs are met by a combination of:

- Rates
- User Charges
- Financial contributions in the District Plan
- Subsidies (Transfund - Roading)
- Development Contributions

The District Growth Strategy (2007) sets out Council's present growth policies and strategic planning for the district.

A key element of the Development or Financial Contributions Policy is that the costs of growth should primarily fall upon the 'cost causer'. As a result, the contributions policy requires the cost of growth to be funded principally through development contributions as opposed to the use of land rates or other means.

This is also in accordance with the Revenue and Financing Policy included in the draft LTCCP 2009-19, which states that growth capital expenditure is to be funded by the cost-causer by way of development contributions.

4 Nature of Council's Assets

In order to determine the costs of growth associated with each activity, it is necessary to understand the nature of the existing Council assets and how these will need to be added to, expanded or rebuilt to accommodate expected growth.

The assets of the District fall into the following broad categories, each exhibiting particular characteristics in respect to growth.

- Water Infrastructure – including water, wastewater and stormwater infrastructure systems and treatment facilities
- Transportation – Roading, cycleways and associated infrastructure
- Reserves and Open Space network and associated facilities, such as playgrounds, landscape features, grandstands, changing room facilities and related recreation facilities
- Community infrastructure such as, libraries, halls, swimming pools and other community and recreational buildings and facilities

4.1 Water Infrastructure

Council-owned water infrastructure assets include assets for the collection (or distribution) and treatment of water, waste water and stormwater. Water infrastructures are available in the three main centres (Pukekohe, Waiuku and Tuakau) and to varying degrees in the smaller settlements as summarised in the Table 4.1.

Table 4.1

Location	Infrastructure Systems		
Pukekohe	Water	Sewer	Stormwater
Tuakau	Water	Sewer	Stormwater
Waiuku	Water	Sewer	Stormwater
Clarks, Waiau and Glenbrook Beaches	Water	Sewer	Part Stormwater
Patumahoe	Water	Sewer	Part Stormwater
Pokeno	Water		
Port Waikato	Water		
Onewhero	Water		
Buckland	Water	Sewer	
Bombay	Water		
Kingseat		Sewer	

The above comprise 12 townships (Pukekohe generally including Buckland). The systems are fully described in the appropriate Asset Management Plans (AMP) adopted by Council.

4.1.1 Water assets

Comprise pipes, hydrants, valves and meters along with pumps, and reservoirs to distribute water to serviced areas. The water source is either springs or groundwater accessed through bores with water treatment as required. Twelve townships throughout Franklin District are serviced.

4.1.2 Wastewater assets

Comprise sewer pipes, manholes, and pump stations, which collect and pump sewerage to treatment and discharge plants. The quality of final discharge is controlled by resource consents administered by Regional Councils (Auckland and Waikato).

4.1.3 Stormwater assets

Comprise stormwater pipes, manholes, pump stations, detention ponds and overland flow and flood control facilities and systems. Also included are open drains including riparian margins, associated planting and access pathways required for maintenance.

A significant part of stormwater assets are small scale and relate to solving specific flooding or flow

problems or generations. However, major stormwater works relate to the Pukekohe South Drainage District. The various systems and stormwater catchment management requirements are specified in either existing or proposed Stormwater Catchment Management Plans (SMP's). SMP's are a requirement of discharge consents from either the Auckland Regional Council or the Waikato Regional Council.

4.2 Community and recreation infrastructure

This includes a number of property and equipment assets owned by Council, such as, pensioner housing, community centres, and swimming pools. Council has purchased some strategic assets for some possible future community use which in part may be required to accommodate demands for new residents. These include the former Pukekohe Bowling Club site (adjacent to the Pukekohe War Memorial Town Hall), and vacant land on the corner of George and Liverpool Streets, Tuakau (proposed for a possible information/town development centre).

The capital expenditure and growth costs for specific community and recreation infrastructure will be identified through asset management plan reviews, strategy development and review of the LTCCP.

4.3 Reserves and recreational facilities on reserves

These are described as the Open Space Amenities (OSA) and include the district's parks and reserves, sports grounds, passive open space areas, public toilets, cemeteries and playgrounds. Council's OSA Activity maintains the following assets for the community of Franklin:

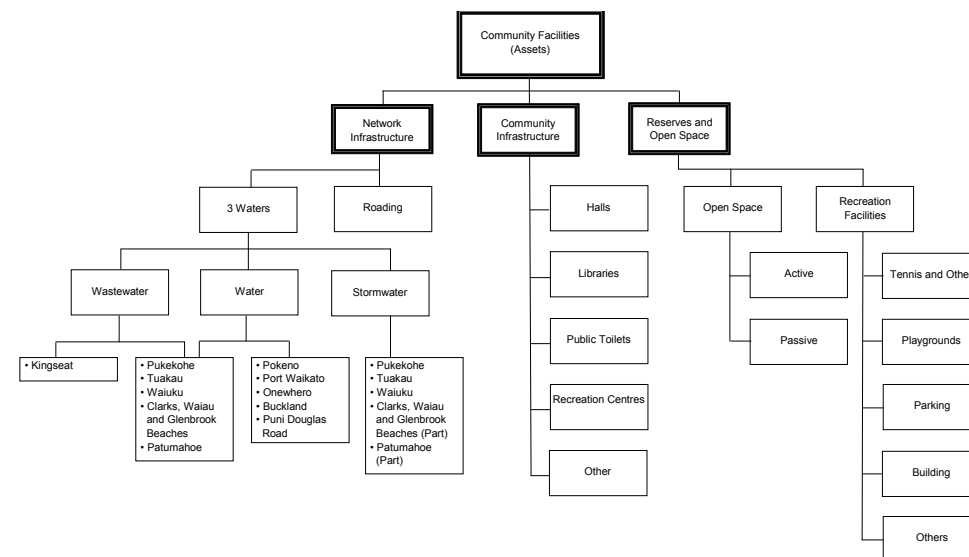
- Parks and reserves – recreation, local purpose, esplanade, scenic, nature and historic reserves.
- Sports grounds – recreation reserves
- Public toilets
- Cemeteries
- Playgrounds

4.4 Transportation Asset

This comprises both collector and distributor roading systems and the local roading network. These networks exclude the state highway network (SH1, SH2 and SH22). The present network contains in excess of 1,624 kms, including 1,388 km sealed, 209 bridges and culverts and 2656 street lights. The 2008 roading valuation (depreciated value, excluding land), was \$575 million.

Off street public carparks are provided under the transportation activity, as are cycleways and pedestrian linkages between roads.

Diagram 4 – Nature of Council's Assets



5 Calculation of the Cost of Growth

5.1 Asset Costs

The asset costs are those related to:

- Renewals – that is the replacement of existing infrastructure
- Level of Service
- Growth

In respect to determining development contributions only growth costs, that is, those costs predicted to be incurred as a result of new growth, are applied to the calculations. Growth costs relating to capital works excludes any asset operating or maintenance costs.

The funding of the cost of growth also excludes subsidies and other sources of income. Capital expenditure is determined by identifying the most likely required capital works over a defined period of time.

5.2 Demand and Reasons for Development Contributions

Growth increases demand for infrastructure to service the needs of the changing community. It creates a need for alternative and/or extended community facilities e.g. new and more sophisticated treatment measures may be required to provide additional capacity while protecting the environment.

LGA 2002, s197 makes clear that by definition 'development' must generate demand for Community Infrastructure, Network Infrastructure or Reserves. In section 12 of this policy the types of development applying to each activity have been more closely defined.

The section 12 definitions meet the requirements of s199 which is that either alone or in combination with other development they require expenditure on infrastructure. In addition all the expenditure proposed are described or summarised in the current Franklin LTCCP, as required in s198(2)

These include demands for:

- Water supply – development of new sources and the supply, treatment and distribution of potable water
- Wastewater - by the provision of more and extended systems for, wastewater reticulation and treatment.
- Stormwater and land drainage
- Access, by the provision of local and district roads, car parking and transport facilities
- Recreation facilities for both open space and amenity, by the provision of reserves, parks and community infrastructure

Council is faced with considerable capital expenditure for new infrastructure to meet new growth throughout the district and in particular those communities presently served by infrastructure. High levels of growth are experienced in both the larger urban settlements (such as Pukekohe and Waiuku) as well as many smaller communities (such as Patumahoe, Pokeno, Clarks Beach) that will require new or substantial expansion of sewerage, water and stormwater systems. Council recognises that it needs to provide for such opportunities to facilitate and maintain the well being of both its existing and future communities. Many existing systems are nearing or at their maximum capacity and will require a totally new system or substantial alteration to the existing systems to provide such services and facilities to new residents.

New populations in both the rural and urban communities will place additional pressure and require additions and extensions to the roading network and public open space amenities of reserves and recreational and community facilities.

Currently, such infrastructure is largely provided by Council and funded through rates or through financial contributions in the District Plan.

Council, as part of its financial management required under the LGA02, must prudently manage its finances and assets in a manner that promotes the current and future interests of the community. It is required to plan for and to provide appropriate funding to meet those new additional capital costs arising

from anticipated growth. This includes giving a high degree of predictability that such cost will be met and the means for doing so.

Council has identified the amounts of capital expenditure required to be spent to meet the increased demand for community facilities (this includes the network infrastructure and reserves as described above) generated by new growth and distinguished these costs from that capital expenditure required for replacement or renewal of existing systems and facilities.

Council (and the community) given the high growth levels evident in the Franklin District, will be faced with such costs. It is accepted that the growth and the expected demand for network, community infrastructure or open space will vary from one locality to the next. However, these local factors have a small impact on costs when considering the overall demand for the district as a whole. In other words, every town will have its day (when its infrastructure will be upgraded).

An important consideration throughout the development of the contributions policy has been to provide equity for all community members. For example - if additional infrastructure capacity is needed as a result of new residents (i.e. growth) and is funded through rates, then some existing residents that do not need the additional service or infrastructure will bear growth costs. This is considered to be an unfair burden on existing ratepayers and is avoided by the development contribution regime. Council therefore adopted a development contributions policy whereby the growth cost will fall upon the new residents and activities.

6 Development Contributions Options

6.1 Explanation

Franklin District has particular characteristics which distinguishes it from other districts within the Auckland Region and requires a particular approach to considering development contributions in particular for the provision of water, waste water and stormwater infrastructure within the individual settlements.

Franklin District comprises the three main urban settlements of Pukekohe, Waiuku and Tuakau, all of which are serviced by network infrastructure, a number of smaller serviced, partially serviced or un-serviced rural and coastal villages and an extensive, largely un-serviced rural area.

As such it is noted that these settlements have varying levels of network infrastructure that directly serve that particular community. There is, however, a considerable interplay between the various settlements and communities, and the services and facilities they provide. For instance, recreation reserves are used by both the immediate community to which they relate and the wider urban and rural communities of the district. Roads are used by the whole district to varying degrees. Even the quality of the environment of the urban settlements, which is maintained through comprehensive infrastructure, benefits the wider

community.

While there are separate 'urban' settlements with separate infrastructure and networks, Council considers that development can be viewed as occurring across the district as a whole.

It can be expected that new works will be required to meet the demand from growth throughout the district rather than being isolated to any one particular settlement. This will impose growth costs at differing times and in different locations.

This ensures a certain level of service such as, potable water supply, or the minimizing of flooding is provided to all serviced communities. New and growing communities will be required to maintain such levels of service. By providing some guarantee of funding for services which enable new growth this policy will allow a greater degree of choice of serviced communities for both new and existing residents.

6.2 Units of Demand and Equivalent Development Units (edu)

'Units of demand' is the general term used in the LGA02 to describe the fundamental basis for distributing the total cost of growth. The preferred terminology used elsewhere in this policy document is 'edu' – an acronym for 'equivalent development unit'.

The two are essentially synonymous, but 'edu' is more precisely associated with specific infrastructure, as illustrated in Part 12. The use of 'edu' allows immediate comparison of outwardly dissimilar forms of development based on their respective demands on infrastructure capacity.

For example, pipe sizes in water reticulation are usually determined by the peak flow that has to be carried. If the peak demand of a typical residential household is assessed at 25 LPM (litres per minute) then we can use this relationship as a means of comparing residential use with commercial peak demand. We can thus say that a demand of 100 LPM is the same as four residential Lots (each requiring 25 LPM) and distribute the total cost of growth for water supply based on that equivalence. One 'edu' is therefore defined as 25 LPM at peak demand.

The definitions for *edu* and for 'development' are more fully described in the section on Methodology (Part 12).

6.3 Options

Taking the above matters into account, the Council has in the preparation of this development contribution policy, considered options regarding the application of development contributions. Council has also considered feedback gained from consultation with key stakeholders regarding such options.

The issues and factors affecting different methods of applying development contributions include:

- Nature of assets – different types of assets

- Location – local and non-local components
- Timing
- Level of service
- Who pays
- Fairness and equity
- Simplicity and administration
- Accuracy of growth-cost identification
- The ready identification of units of demand (residential/commercial)
- The appropriate level of aggregation

Ways in which the policy might be structured to address these matters have been considered including the following:

- The district wide charging approach (aggregated costs for the particular activity)
- The local area based charging approach including
 - Individual independent systems or specific local level
 - Catchments level
 - Town/village/rural
- Residential/commercial/other users
- A combination of local and district

6.3.1 District Contribution

The application of a district contribution comprises the determination of a contribution based on a district wide level (or an aggregated activity level) for each particular activity or service. A separate district contribution could apply for each activity of water, wastewater, stormwater, roading, reserves and recreation facilities, and community infrastructure.

District Contribution Formula (aggregated approach)

$$\text{Contribution} = \frac{\text{Aggregated the total growth capital expenditure for activity}}{\text{Aggregated total units of demand for total activity (area of service)}}$$

The principles applying to a district contribution would include:

- Application equally across all areas – a single district fee for each activity;
- A specified level of service, facility or infrastructure provided across the district – eg:
 - A potable water supply to all serviced Lots, or
 - 4 hectares of reserve land for every 1000 persons.

The advantages of such a district approach include:

- Broader district view which fits district's strategies
- Economies of scale – ability to fund major works in any one location throughout the district
- Flexibility – able to react to changes in demand
- Simple to administer – low administration costs
- Ease of understanding by all

The disadvantages of such a district approach include:

- Perceived temporary cross-subsidies
- No recognition of local differences such as ability to pay

6.3.2 Area Contributions (disaggregated approach)

Area Contributions can be applied at differing levels, locality or area for any particular activity. For instance, a specific contribution for each activity at a:

- System level (for each infrastructure system i.e. a contribution for Clarks Beach sewer)
- Local township level
- Catchment level
- Special area (Pukekohe Hill stormwater)
- Larger urban towns

Area Contribution Formula

Contribution =	$\frac{\text{Total growth capital expenditure of activity for each area}}{\text{No of units of demand in each area or part of system/ catchment}}$
----------------	--

The principles applying to an area development contribution would include:

- Provision of service at local area level
- Directly related cost incurred to area

- Area bearing full cost of work in that location

The advantages of such an area approach include:

- Clear direct cost/benefit
- Focussed on local issues
- No perception of short term cross subsidies
- Targets specific works and directly relates cost and funding at an area level

The disadvantages of such an area approach include:

- Less coordinated or strategic funding approach
- Works may be delayed by ability to pay
- Higher administration costs
- Less flexibility to address changes in demand or growth or timing
- Large projects may not be affordable at a local level

The potential to apply development contributions at an area level varies depending on the nature of the infrastructure or asset.

6.4 Conclusion

Council considers it appropriate that the cost of growth shall be funded primarily from the cost causer (generally, the developer) and taken at the time of subdivision or development. It is considered that requiring the significant proportion of the cost of growth to be paid through development contributions is fair and reasonable and will not be a significant burden on the rate payers and residents of the district.

The method adopted is the aggregation of the cost of growth at activity level across the district or serviced areas. This method results in a reasonable and affordable development contribution regime that takes into account fairness, equity and efficiency. Generally this method adopts the principal of applying contributions to the most logical aggregated level that addresses demand with a preference for a district or urban wide application, with recognition of local factors where relevant.

It is clear that development creates the need for this capital expenditure and it is, therefore, appropriate that such contributions are collected at the time of subdivision or development.

PART B – DEVELOPMENT CONTRIBUTIONS POLICY - EXPLANATION

7 Principles and Objectives

7.1 Overall Principles

In the development of this contributions policy, Council have taken into account, in addition to those set out in s.14 of LGA02, the following principles to promote equity and fairness:

- a) The costs of growth are primarily funded by the 'cost causer'. The costs of growth comprise that portion of capacity increase for infrastructure which are directly attributable to residential and business growth.
- b) Contributions are used for the reserve, community or network infrastructure purpose for which they were collected.
- c) The level of contributions is applied at the most logical aggregated level attributed to each activity. The principle of aggregation is applied across the district for all activities with the exception of Stormwater.
- d) Interest costs are an integral part of funding infrastructure and are included in the growth costs to be recovered under this policy.
- e) DC fees are taken at the first opportunity, whether at issue of building consent, resource consent or granting of service connection.
- f) Consideration is given to the distribution of benefits between communities as a whole, and identifiable parts of the community and individuals in addition to those set out in s14 and s101(3) of LGA02. (Sometimes known as the Beneficiary Pays principle.)
- g) Land purchased for community infrastructure or reserves will be purchased at a land value which recognises the market value of the land in its undeveloped state but not the value to be added by future plan change or consent process.
- h) Remission of a part of an activity fee may be granted in unusual circumstances where it can be shown that the developer has provided infrastructure greater than that reasonably anticipated by this policy.
 - 1 - For Closed Access Networks comprising the three waters –this principle may be considered.
 - 2 - For Open Access Networks comprising transport, community facilities and open space amenities, remission is extremely unlikely.
- i) The use of development contributions will replace financial contributions as a funding mechanism. i.e. developers will generally be liable for one or the other (depending on the timing of application for

consents) but not both. The use of local roading FC are an exception as noted in section 12.6

- j) The level of service for each activity as described within its Asset Management Plan will be maintained for current and future users as growth is accommodated.

7.2 Objectives

- A more integrated and comprehensive approach to managing and funding the cost of growth
- A more equitable approach to funding the cost of growth, whereby existing ratepayers are not unfairly burdened with the cost of providing additional facilities or infrastructure for new residents
- A clear and transparent regime for determining and applying contributions
- All areas, current and planned serviceable areas, have the opportunity and capacity needed to facilitate growth
- A safe and efficient roading network

8 Summary of Growth Capital Expenditure Incurred (LGA S.106 (2) (a))

Table 8.1 sets out the activities and their capital expenditure funding required from development or financial contributions. The table identifies the total capital expenditure for each activity, revenue required from development or financial contributions, third party contributions and revenue required from rates.

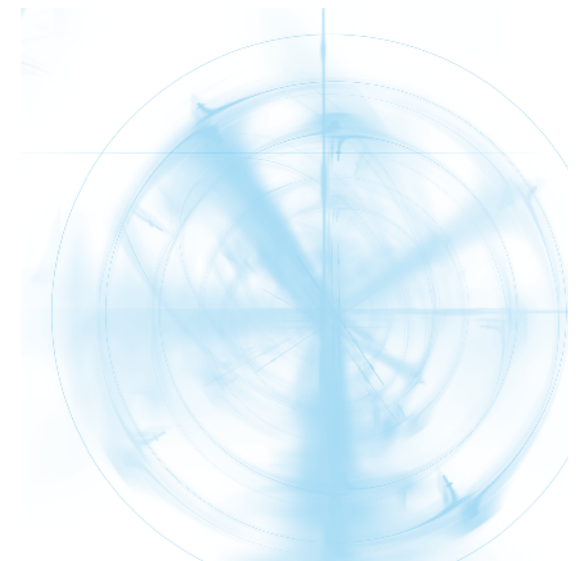


Table 8.1 Summary of Capital Expenditure All in \$ millions, excl GST

Activity Summary	timeframe	Total capex expend	Growth portion	Growth portion incl interest & Bal 09	Revenue req'd from this DC	Revenue req'd from future DC	Revenue req'd from FC	Revenue expected from subsidies	Revenue-general & targeted rates
Water Supply	20yr	54.8	17.2	22.8	19.6	3.2	0	0	38
Wastewater	20yr	71.6	43.0	84.8	63.8	21	0	0	29
Stormwater	20yr	122	38.4	61	55.4	6	0		83
OSA	20yr	86.0	36.8	59.3	44.0	15	0	0	50
Community Infr'	10yr	53.4	5.0	10.4	10.4	0	0	1.0	47
Transport Infr'	20 year	412	83	140	100	37	4.0	133	195
TOTAL		800	224	378	293	82	4	134	442

9 Infrastructure Outcomes

Council have assessed the provision of services based on each activity. The Council has grouped the activities into two main groups; closed access and open access. Closed access networks are water supply, wastewater, and stormwater, which are characterised by a physical connection to the public network. Open access networks being transportation, Community Facilities and Open Space Amenities, which conversely are accessible from many different places and are non-excludable.

The following summary outlines the community/infrastructure outcomes to which each activity relates.

9.1 Water Supply and Treatment

The provision of a reticulated water supply to the various urban and village settlements is to achieve both protection of the community's health and environment, while providing an efficient, cost effective and reliable supply of potable water. It is considered appropriate that the existing systems be expanded or replaced to provide the same level of supply and protection to new residents and activities, primarily within the urban areas.

Council aims to provide the following infrastructure outcomes:

- To protect community health by the provision of safe water supply schemes, appropriate operation, maintenance, renewal and upgrading of reticulation and treatment facilities. This includes the extension or expansion of such systems to provide a continuing potable water supply to serviced communities

- Maximise availability of supply by the provision of adequate reticulation and associated systems and storage facilities
- Minimising cost to consumers by efficiency of operation, reduction of waste and losses

9.2 Wastewater Collection and Treatment

The provision of a reticulated wastewater collection system and treatment facilities safeguards public health, provides protection to the environment and recognises cultural effects. Council recognises the need to provide accessible high quality sewerage collection systems throughout the Network Service Areas. These services should provide appropriate, affordable, efficient and effective treatment and disposal options. It is considered appropriate that the existing systems be expanded or replaced to provide the same level of supply and protection to new residents and activities across the total serviced areas.

Council aims to provide the following infrastructure outcomes:

- The protection of the community's public health and amenities through the ongoing provision of waste disposal systems including treatment facilities and reticulation systems
- The minimisation of environmental and cultural effects, including the protection of receiving waters through the appropriate and ongoing operation, maintenance renewal and upgrading of waste water reticulation and treatment facilities to meet resource consent standards and minimise the possibility of treatment discharge
- The provision for the extension or expansion of such systems to provide a continuing safe

wastewater disposal system to future residents of serviced communities

9.3 Stormwater

The provision of stormwater reticulation, detention and treatment facilities is necessary to minimise the risk of flooding and other damage from uncontrolled and excessive water over flows which pose risk to people, property and structures, key infrastructure and the environment through aspects such as sedimentation.

There are a number of specific issues and concerns that require extensive catchment wide stormwater system works. In addition it is necessary to provide for localised small scale works through the urban areas to minimise potential effects. Such small scale affects will accompany development and intensification through growth and it is necessary to provide stormwater facilities to address these. In addition Council have embarked on a number of comprehensive catchment discharge consents and programs to address existing and anticipated stormwater effects arising from future growth.

Council aims to provide the following infrastructure outcomes:

- Maintain and expand an efficient stormwater system
- Implement effective catchment management programmes to minimise flooding where possible
- Manage environmental impacts of stormwater upon receiving environments

9.4 Reserves and Open Space Amenities

Council maintains an extensive network of reserves and open space amenities including its reserves and recreation facilities. Reserves that have both district and area functions serving the greater district community as well as the local area or community to which they relate. Council will maintain the existing extent and nature of such reserves and open space amenities as well as providing their availability for future residents.

Council aims to provide the following infrastructure outcomes:

- Provide a balanced distribution of open space across the district and throughout the urban communities and rural communities
- To maintain the levels of service in Franklins Reserve Acquisition and Development Plan for each 1000 residents across the district
- To provide for the adequate provision of a variety and scale of reserves to meet the needs of the future community at the level of the existing facilities and open space amenities, and in particular to provide an appropriate level of both district sized reserves and smaller scale community reserves to meet the demand from new residents

9.5 Community Infrastructure

Council maintains, and is expected to provide for, a wide range of Community infrastructure assets to meet the community, recreational and amenity needs of its existing and future populations. Community infrastructure have both district functions, infrastructure such as the Pukekohe swimming complex and Library (and its district services) serve the greater district community, and local functions such as halls, local recreation, community rooms and facilities serve the local area or community to which they relate. Such facilities will need to be extended in order to maintain the existing level of service and meet the demands associated with growth. Council will maintain the existing extent and nature of such community infrastructure as well as providing their availability for future residents.

Council aims to provide the following infrastructure outcomes:

- Provide a balanced distribution of community infrastructure across the district and throughout the urban communities and rural communities
- To provide for the adequate provision of a variety of community infrastructure to meet the needs of the future community to meet the demand from new residents

9.6 Transportation

Council maintains an extensive network of roads throughout the district serving both the urban and rural communities. Roads have both district functions (the district arterials and collector roading network) serving the greater district community, as well as the local area or settlements to which they relate (local roads). Council will maintain the existing extent and nature of such roads as well as providing appropriate capacity for future residents.

Off street public carparks are provided under the transportation activity, as are cycleways and pedestrian linkages between roads.

Council aims to provide the following infrastructure outcomes:

- To provide for a comprehensive roading network, including district arterials, collector and local roads, across the district to serve the transportation and access requirements of the district.
- To provide a safe and efficient roading network throughout the district to meet the needs of the existing and future populations and activities of the district.

10 Benefits, Significant Assumptions and Levels of Uncertainty

10.1 Distribution of Benefits

Council considers it appropriate that development contributions are required from development according to the distribution of benefits in the funding of capital expenditure for growth for water supply and treatment, wastewater collection and treatment, stormwater disposal, transportation, reserves and open space amenities.

Over the district there is a considerable interplay between the various settlements and communities, and the services and facilities they provide. While there are separate urban settlements with separate infrastructure and networks, Council considers that benefit occurs uniformly at the broader activity level. It is expected that new works will be required to meet the demand from growth throughout the district rather than being isolated to any one particular activity or specific location. This will impose growth costs at differing times and in different locations.

This approach enables a specified level of service such as, potable water supply, removal of wastewater or the minimizing of flooding in urban areas to all serviced communities where benefit accrues relatively equally for the specified level of service across the total infrastructure area rather than at its isolated component areas.

Council has assessed the benefits derived from the growth components of the capital expenditure (including additional capacity and interest) of the capital works for water supply and treatment, wastewater collection and treatment, stormwater disposal network activities, district wide reserves and open space amenities.

The distribution of benefit occurs at both district level (or aggregated activity level) and local level dependent upon the nature of the activity as described in the following paragraphs.

Council has allocated the distribution of benefit derived from the new works for additional capacity; recent capacity created and includes interest which accrues from predicted cash flows. The distribution of benefits is only distributed among the units of demand generated by new development.

Council has also considered the relative benefits between existing ratepayers and new residents or businesses. There is a balance to be struck between applying the cost causer principle, wherein the bulk of costs go to the development community and recognising beneficiaries of improvement due to new infrastructure.

The first and most important part of this judgement is undertaken when the ACAM method (for details on this, see section 11.1) is applied to the Capital works to obtain a Growth cost. In this process benefits to existing ratepayers whether resulting from, Renewal, Level of Service improvement or from delayed works (known as backlog) are assigned to funding sources other than growth.

In addition a 'stand back check' (or common sense view) is applied as the last stage of the ACAM method to ensure that all the requirements of LGA s101(3) are met.

The distribution of benefits is just one of the matters which the Council has considered in relation to each activity to be funded by development contributions. The other matters are discussed further in this clause 10.

10.1.1 Water Supply, Wastewater Collection and Treatment systems

Council operates a number of water and wastewater systems that service the centres of Pukekohe, Tuakau and Waiuku and a number of smaller settlements across the district. Growth capital expenditure will generally have benefit limited to those connected to such systems, and though there are overall public health benefits to the wider community it is considered that the benefits primarily fall with the individual (and future) users of such systems.

While both the water and wastewater system comprise of a number of smaller separate systems in different localities they are viewed as a total entity in respect to the provision of the service. Council considers the distribution of benefit is at an activity level whereby users of the system gain the same specified level of service for water or waste water irrespective of location. The distribution of benefits have been assumed to be uniformly distributed throughout the total serviced catchments and supply areas, primarily the serviced urban (town and village) settlements.

It is considered that development contributions should be appropriately applied at an activity level, that is, the benefit occurs equally to all those who are provided with these systems and the expenditure required expanding or replacing such systems to meet the demands of growth across these serviced areas irrespective of the specific location.

10.1.2 Stormwater

Stormwater systems have a somewhat different characteristic from the other water infrastructure in that it is catchment focused and there are some specific areas (namely the two large centres) where significant works are proposed to provide for growth. The stormwater growth expenditure includes major capital works required to manage stormwater catchments that will arise from and impact upon future growth and also minor works that occur throughout the catchments as growth occurs.

Council considers the distribution of benefit occurs primarily at the activity level, at two levels, the larger catchments of Pukekohe and Waiuku and the smaller catchments across the other serviced (stormwater) locations. The distribution of benefits of Council's stormwater activity has been assumed to be uniformly distributed throughout each of these amalgamated catchments.

10.1.3 Reserves and Open Space Amenities

Benefits for Councils reserves and the open space network are spread widely across the district. In 2007 Council completed a comprehensive Reserves Acquisition and Development Plan which sets out Levels of Service and planning guidance for all reserves in the district.

A large number of reserves have a distinct district function despite their particular location and it is considered the benefit for these reserves and open space fall uniformly across the whole district irrespective of location. Smaller reserves often provide for activity within urban centres but these costs are minor compared with main recreational activities. For this reason Council from July 2009 onwards proposes to charge all Reserves and Open Space Amenities on a district wide (one charge for all areas) basis.

10.1.4 Community Infrastructure

Council provides a wide range of community infrastructure assets throughout the existing urban settlements and rural communities. These community infrastructure assets have both district and local functions.

Council will further examine the nature of these assets and where benefits fall as part of the regular, at least three yearly, review of the Franklin LTCCP. Council is proceeding with the provision of the Library and Arts Centre complex in Pukekohe and its benefit is assumed to fall across the whole district.

10.1.5 Transportation

Transportation is considered as a significant infrastructure that has a district wide distribution of benefits.

Growth related capital expenditure generally funds projects across the district and on the main traffic routes. Council considers that the costs of growth should be shared evenly across the district on the basis of the units of demand generated by new development.

10.2 Period of Benefit

Generally a 20 year time frame has been set as the basis of growth cost allocated to the District. It may be expected that the benefits of some capital works identified in the Franklin Community Plan will extend beyond the 20 year time frame relating to the expected life of the particular asset built. Community facilities have a 10 year time frame in recognition of the shorter planning and development timeframe for these community assets.

This 20 year time frame is considered as a rational period where it can be expected that the particular work will remain and is consistent with accepted engineering practice and the Southern Sector Growth agreement period.

The water utilities infrastructure comprises water supply systems, waste water reticulation and treatment facilities and stormwater facilities, all of which are owned, developed and expanded by Council. The identified capital expenditure relating to growth denoted relates to growth capital expenditure calculated over the next 20 Years.

New asset infrastructure has a life of 20 to 80 years. Life is approximately 20 years for plant, mechanical and electrical components, with the longer life for the pipeline, manholes etc which comprise the majority of asset value. In designing new assets it is uneconomic to allow for more than approximately 20 years of future growth for most assets, and planning capital works for a longer period is generally impractical.

10.3 The Extent to which Action-Inaction Contribute

Council is the primary provider of water supply, wastewater collection and treatment, stormwater, reserves, transportation network and open space amenities, throughout the district together with a significant number of other community infrastructure. These actions are required to provide and maintain the necessities and quality of life and well-being of people, and communities in the district.

Water supply, and wastewater collections and treatment, are required to avoid environmental and health effects while enabling the district community to carry out its necessary functions. Stormwater systems are necessary to minimise risk of undue flooding or uncontrolled water damage and effective management of the disposal of stormwater. Roading works are required to provide a safe and efficient management and provision of the roading network to satisfy the current and future growth needs of road users. Reserves and open space amenities are required to meet the increasing recreational needs and amenity requirements of existing and future populations.

These activities are necessary to ensure the sustainable development obligations to the district and the health and well-being of the district's communities. Given the Council's significant role (largely sole provider) for providing and maintaining such community facilities and assets it cannot be expected that in the foreseeable future other individuals, the community, central government or private sector will fulfil this role. There is no evidence to indicate that any other parties would fulfil such a role.

Failure for Council to carry out such a role would result in a significant lowering of service, disruption to the community at large and considerable potential health and environmental effects.

The ongoing expansion of infrastructure (both geographically and in terms of available capacity) is directly caused by development in the community, not by the existing ratepayers. These costs are assessed via ACAM as growth costs and charged to the development community under this policy. The costs caused by the existing community such as Level of Service improvements and renewals are not funded by growth.

The provision of such facilities and infrastructure including the cumulative effect over time necessary

to address the effects and demands of growth and new residents to the district necessitates Council to incur costs. Council therefore requires Development Contributions to meet the capital expenditure costs, including those costs recently incurred, to appropriately provide for new and additional water, wastewater, stormwater, reserves, roading and open space amenities.

10.4 Distinction between Activities

The activities of Water, Wastewater, Stormwater, Transportation, Reserves and Open space Amenities are funded separately to provide for complete transparency.

The collection of and distribution of development contribution for any activity is therefore directed only to the activity for which it is collected and for the stated purpose for which it is collected, being at either a district level (Transportation, Reserves and OSA), or at an aggregated activity level (Wastewater, Stormwater and Water - where such services are available).

Systems and accounting practices are in place to ensure transparency.

10.5 Impact of Revenue Liability

Council considers it appropriate that the total (100%) growth capital expenditure (including recent existing capacity incurred) may be funded by development contributions. Costs of growth are thus transferred principally to cost causers (new residents entering the district, or developers) as opposed to requiring existing ratepayers to meet any part of the costs attributed to growth.

Also noted previously is the fact that the ACAM method used to isolate growth costs has made a sound allocation according to causation and beneficiary principles, so that only clear growth driven costs are being charged on to developers.

One of the advantages of more accurately assigning growth costs where they belong (as FDC believes this policy does) is to discourage economically marginal development and promote sustainability by ensuring that developers fully consider infrastructure costs in their planning. This promotes the broader community goals of economic, social and environmental wellbeing.

Council will be required to fund a total of an estimated \$224 million for growth over the planning period. The funding of this capital expenditure by the rate payer is considered unfair given it is costs that they would not have to bear were there no such growth.

Council considers that growth related capital expenditure for any one service or the cumulative total for all services could be funded by development contributions without creating a significant revenue burden on future residents or developments.

In some cases an economic effect may well have a negative flow on effect at a local level, however, if no

contributions are obtained from development contributions, Council will either not provide the community facilities for new demand, in some cases such as water and wastewater supply or collection, significant environmental and health effects would occur at a far greater expectation of cost, or more revenue will be required from rating. The rating option has been previously canvassed and it is considered this is an unfair burden on the ratepayer who will not be the principal beneficiary.

10.6 The significant assumptions and level of uncertainty

Council has assumed that the anticipated levels of growth and its distribution will occur over the planning period. Growth rates will vary over this 20 year period and will impact upon both the need for works and the desired location.

Cost estimates for projects are updated and their scheduling reviewed at regular intervals. Cost estimates and project timing is nonetheless subject to variation and to some uncertainty.

The level of growth will also determine the level of contribution received at any time and therefore cash flow rates. Assumptions are made as to such cash flow rates in the determination of interest costs. The cost of interest has been estimated at an overall rate of 7.5% with variation for expected cash flows associated with each network infrastructure. There are assumptions made in respect to the cash flow rates determined by when the works are planned to proceed.

The Development Contributions are however a fixed rate and therefore the potential effects, in terms of funding, are unlikely to differ from that predicted by Council unless there is a dramatic change in growth. It is expected that subdivision rates and the level of contributions for reserves will continue to be directly correlated to growth at the predicted levels; however an unknown variable is that of the purchase of the land component. In recent times there has been a considerable fluctuation in land prices, which if continued may have an impact on the ability to provide the required level of reserves and open space at the specified standard. This will require monitoring and review.

The number of new households in the district is closely related to *edu* (and is equivalent in most cases). The population growth figures are the most important in terms of demand for services but household formation differs from population growth depending in the number of persons per household. The contribution figures vary directly with the forecast new households and over the 20 year forecast period to 2026 (refer table 2.3).

It is also assumed that the cost estimates for projects contain the required level of accuracy and timing of when event works will occur.

For major capital works associated with water, stormwater and wastewater it is assumed that the present environmental standards will not rise significantly over the planning period. Such a change however has the potential to impact upon the cost estimates of capital works. These potential effects can be reduced

by review and monitoring as required through the LTCCP review.

An important consideration throughout the development of the contributions policy has been to provide equity for all community members. For example - if additional infrastructure capacity is needed as a result of new residents (i.e. growth) and is funded through rates, then some existing residents will bear costs that do not need the additional service or infrastructure. This is considered to be an unfair burden on existing ratepayers.

11 Methodology for Applying Development Contributions (LGA 106 (2) (e))

The Development Contribution is a development levy or fee that is charged by Franklin District Council at the time any new development is undertaken within Franklin. It is a prerequisite for connection to the public water and wastewater systems.

The income generated is used to fund the upgrading of the infrastructure networks. As the Franklin District continues to grow and to expand, the networks must be upgraded and enlarged to cater for this new growth.

11.1 Capital Expenditure and Demand Units

The Works listed on the capital program are broken down into subcategories of renewal, growth and level of service. The majority are expected to be completed within 10 years and they provide sufficient capacity to meet demand for the 20 year horizon. A formal Avoidable Cost Allocation Methodology (ACAM) is used to assign costs and isolate the growth portion of each project.

Avoidable Cost Allocation Methodology (ACAM)

Any project on the works programme may have more than one driver and the Methodology is used to assign costs between the three categories.

Renewal - when the dominant need is the replacement of existing facilities with assets of equivalent capacity.

Growth - when the dominant need (or driver) is to provide additional capacity for increased future demand.

Level of service (LOS) - when the driver is a decision to improve service.

Generally this will result from a decision to change a service level (e.g. safety reasons) or to provide existing customers with a service level agreed in the past but not yet fully implemented (i.e. deferred works).

For example a \$400,000 project may have:

- 40% = \$160,000 Renewal component
- 30% = \$120,000 Growth component and
- 30% = \$120,000 LOS component

In this example \$120,000 (being the growth portion) would be carried forward to the cost of growth sum for recovery by Development Contributions.

Growth Capital Expenditure and Development Contributions

Growth capital expenditure excludes any cost associated with increasing levels of service, historical upgrades (catch-up) or maintenance. The level of service presently available however is to be maintained when such expansion occurs.

The contributions are applied at district level given that, while the systems comprise of a number of components in various settlements and locations they are aggregated to provide that a guaranteed level of service to those serviced communities will be maintained.

This also spreads out the cost of the required capital expenditure related to the activity itself and the overriding objectives of providing a continued level of service as the growth occurs. Some flexibility is required to enable Councils to target growth required facilities and the expansion of services where growth occurs and where it is required.

A district approach at the activity level proposed is considered to achieve an efficient, fair and reasonable development contribution regime. In spreading costs as widely as possible over the area of benefit the unit cost for the contribution rate is reduced to the lowest average cost. This has the advantages of minimising transaction costs and allowing considerable flexibility in programming of essential infrastructure improvements, for the widest community benefit.

Demand Units or Equivalent Development Units (edu)

Development contributions are based on the growth component only of capital works, and are distributed across the total number of units of demand.

The term *edu* (equivalent development units) is synonymous with the general terminology – demand units, or units of demand – but is used to describe the more definitive comparators used for particular infrastructure.

Care has been taken to define *edu* that are appropriate to the particular infrastructure driver, and to ensure that as far as reasonably possible the costs of growth are distributed equitably across all forms of development.

For water supply, the driver is considered to be peak demand and the *edu* selected is 25 LPM (litres per

minute) representing the peak demand from a single residential household or Lot.

In the case of stormwater, for residential land use (Residential and Rural Residential zones) the *edu* is described in terms of imperviousness related to Lot size. A table is developed that rates a residential Lot of 800 sq.m as equal to 1 x *edu*.

For stormwater in the Business zone, commercial and industrial land use is instead characterised by roof area, where 1 x *edu* is deemed to be equivalent to 400 m²

The Transportation *edu* is defined according to context as one Lot or one dwelling, or in business development as defined square metres of Gross Floor Area, based on category of use.

The respective definitions for stormwater *edu* according to zone and land use are considered to offer the best representation of the relative impacts on the capacity requirements of the stormwater system.

These are more fully illustrated in the section on Methodology in Part 12.

11.2 Cost of Growth Relating to Methods

11.2.1 Water/Wastewater and Stormwater

Capital works costs for water supply, wastewater collection and treatment and stormwater collection and treatment associated with growth are based on the current 20 year works programme prepared as part of the LTCCP 2009-2019.

The cost of growth has three components

(a) Reserve Balance and Current year forecast

The combined outcome of Growth costs carried forward from 2007/08 and expected Growth Capex and Income for the 2008/09 year are collected under the heading "Expected Reserve balance 2008/09".

(b) Capital works programme

The proposed works for each activity over the 20 year period are all summarised on table 8.1. The summaries below show the particular components of costs to be recovered under this policy. The growth portion of the costs make allowance for the extended capacity (beyond 20 years) provided in various projects.

(c) Interest costs

Interest charges have been calculated and are included in the total to be recovered.

The pattern of growth in particular areas cannot be accurately forecast. The flexibility inherent in the Policy approach will however ensure that available resources can be efficiently targeted whilst ensuring

that levels of service are maintained at an optimum level across the District.

11.2.2 Water Supply

(a) Reserve Balance and Current year forecast

The combined outcome of Growth costs carried forward from 2007/08 and expected Growth Capex and Income for the 2008/09 year is \$0.1 million,

(b) Capital works programme

The proposed works for Water Supply over the 20 year period have a total value of \$54.8 million. The growth portion of these costs to be recovered is \$19.6 million. This makes allowance for the extended capacity (beyond 20 years) provided in various projects. It also recognises that increasing charges over the next 20 years means an appropriate portion is paid by *edu* in the later years, so that the Net Present Value (NPV) of all contributions over that period are equivalent

(c) Interest costs

Interest has been calculated to add approximately 39% to the cost of funding future works. The interest costs are thus \$5.5 million.

Total cost of growth

Thus the total cost of growth related capital works for Water Supply is:

All are growth costs in \$millions excl GST

Expected DC Reserve Bal 2008/09	Capex to 2009/29	Interest	Total to recover
\$0.12	\$17.2	\$5.5	\$19.6

The capital works proposed provide future capacity for 20 years of growth consistent with the growth projections outlined in Section 2.1 Population Growth and demand.

The intention is to provide a uniform high level of service for water supply. Levels of service here include (for example) capacity in terms of fire protection, minimum supply pressures and acceptable water quality. Growth in terms of the expected increase in number of users over the 20 year planning period has been estimated at 9613 new *edu*. It is not planned in this LTCCP (2009-19) to provide water supply outside of the existing named townships (see Section 15).

It is also important to note that no allowance has been made for the possible future servicing requirements of rural or coastal villages as discussed in Proposed Plan Change 14.

The Water Supply Development Contribution is calculated at \$2,040 per *edu* (derived from \$19.6m and 9613 new *edu*).

In June 2009 Council made a decision to the effect that the 2008/09 charge of \$2,120 per *edu* shall apply for the year 2009/10. The charge applying from 1 July 2010 will be \$2,040 + 3% (or inflation whichever is higher) i.e. is expected to be \$2,120 per *edu*.

11.2.3 Wastewater

Capital works costs for wastewater associated with growth are based on the current 20 year works programme prepared as part of the LTCCP 2009-2019.

(a) Reserve Balance and Current year forecast

The combined outcome of Growth costs carried forward from 2007/08 and expected Growth Capex and Income for the 2008/09 year is \$6.8 million,

(b) Capital works programme

The proposed works for Wastewater over the 20 year period have a total value of \$71.6 million. The growth portion of these costs to be recovered is \$63.8 million. This makes allowance for the extended capacity (beyond 20 years) provided in various projects. It also recognises that increasing charges over the next 20 years means an appropriate portion is paid by *edu* in the later years, so that the Net Present Value (NPV) of all contributions over that period are equivalent

(c) Interest costs

Interest has been calculated to add to the cost of funding future works. The interest costs are thus \$35.1 million.

Total cost of growth

Thus the total cost of growth related capital works for Wastewater is:

All are growth costs in \$millions excl GST

Expected DC Reserve Bal 2008/09	Capex to 2009/29	Interest	Total to recover
\$6.8	\$42.9	\$35.1	\$63.8

The Wastewater Development Contribution is calculated at \$6,760 per *edu* (derived from \$63.8m and 9424 new *edu*).

In June 2009 Council made a decision to the effect that the 2008/09 charge of \$6,200 per *edu* shall apply for the year 2009/10. The charge applying from 1 July 2010 will be \$6,760 + 3% (or inflation whichever is higher) i.e. is expected to be \$6,960 per *edu*.

11.2.4 Stormwater

Capital works costs for stormwater associated with growth are based on the current 20 year works programme as amended in conjunction with the LTCCP 2009/19 budget process.

The townships attracting development contributions for stormwater are separated into two groups, referred to as Areas A and B (refer to the methodology in Section 12.3). The SWDC rate is different for each Area.

(a) Reserve Balance and Current year forecast

The combined outcome of Growth costs carried forward from 2007/08 and expected Growth Capex and Income for the 2008/09 year is \$2.1 million and \$1.8million for Areas A and B respectively

(b) Capital works programme

The proposed works for stormwater over the 20 year period have a value of \$106 million and \$16million for Areas A and B respectively. The growth portions of these costs to be recovered are \$34.2 million and \$27.2million for Areas A and B respectively. This makes allowance for the extended capacity (beyond 20 years) provided in various projects. It also recognises that increasing charges over the next 20 years means an appropriate portion is paid by *edu* in the later years, so that the Net Present Value (NPV) of all contributions over that period are equivalent

(c) Interest costs

Interest has been calculated to add approximately 50% to the cost of funding future works. The interest costs are thus \$12.7 million and \$6.6million for Areas A and B respectively

Total cost of growth

Thus, the total cost of growth capital works for stormwater is:

All are growth costs in \$millions excl GST

Expected DC Reserve Bal 2008/09	Capex to 2009/29	Interest	Total to recover
\$2.1	\$29.1	\$12.7	\$37.9
\$1.8	\$9.2	\$6.6	\$17.5
\$3.9	\$38.3	\$19.3	\$55.4

Hence DC charges per *edu* are

All amounts in \$millions excl GST

Area	Growth Costs	Expected New Households 20yr	Hence DC Rate
A	\$37.9 m	5037	\$7,520
B	\$17.5 m	3352	\$5,200

In June 2009 Council made a decision to the effect that the 2008/09 charge of \$7,320 and \$4,720 per *edu* (for areas A and B respectively) shall apply for the year 2009/10. The charge applying from 1 July 2010 will be the increased charges above + 3% (or inflation whichever is higher) i.e. is expected to be \$7,760 and \$5,360 per *edu* (for areas A and B respectively).

11.2.5 Reserves / Open Space Amenities

During 2007 Council completed a reserves Acquisition and Development (RAD) plan, which resulted in a new set of Levels of Service. In the same year the District Growth Strategy was completed. The proposed long term capital works for the LTCCP 2009/19 reflects both these documents intentions.

In the RAD plan there is no distinction made between local and district reserves so all reserves DC charges are now made on district wide basis.

Capital works costs for reserves associated with growth are based on the current 20 year works programme prepared as part of the draft LTCCP 2009-2019. This is based on levels of service requirements in the RAD plan which includes for the purchase and development of some 50ha of land for District reserves.

(a) Reserve Balance and Current year forecast

The combined outcome of Growth costs carried forward from 2007/08 and expected Growth Capex and Income for the 2008/09 year is \$3.3 million,

(b) Capital works programme

The proposed works for Reserves / Open Space Amenities over the 20 year period have a total value of \$86 million. The growth portion of these costs to be recovered is \$44 million. This makes allowance for the extended capacity (beyond 20 years) provided in various projects. It also recognises that increasing charges over the next 20 years means an appropriate portion is paid by *edu* in the later years, so that the Net Present Value (NPV) of all contributions over that period are equivalent

(c) Interest costs

Interest has been calculated to add approximately 76% to the cost of funding future works. The interest costs are thus \$19 million.

Total cost of growth

Thus the total cost of growth related capital works for Reserves / Open Space Amenities is:

All amounts in \$millions excl GST

Expected DC Reserve Bal 2008/09	Capex to 2009/29	Interest	Total to recover
\$3.3	\$36.7	\$19.0	\$44.0

The Reserves Development Contribution is calculated at \$3,560 per *edu* (derived from \$44.0m and 12,424 new households).

In June 2009 Council made a decision to the effect that the 2008/09 charge of \$1,600 (district) and \$880 (local) per *edu* shall apply for the year 2009/10. Also confirming that both charges, i.e. \$2,480 per *edu*, shall be applied district wide as provided in the new policy. Therefore the charge applying from 1 July 2010 will be \$3,560 + 3% (or inflation whichever is higher) i.e. is expected to be \$3,640 per *edu*.

11.2.6 Community Infrastructure

The capital works costs associated with growth are based on the current 10 year works programme prepared as part of the draft LTCCP 2009-2019.

The Capex program for Community Infrastructure tends to involve high profile developments with substantial community involvement during the planning stages. Capital works planning for such projects does not extend more than 10 years ahead.

The majority of works in this activity are substantial projects serving a large part of the community. As such they are considered appropriate for district wide funding. The cost of growth included here is that for the Franklin Centre plus other Community centre, Recreation Centre – Pools and Property capital works.

(a) Reserve Balance and Current year forecast

The combined outcome of Growth costs carried forward from 2007/08 and expected Growth Capex and Income for the 2008/09 year is \$4.1 million,

(b) Capital works programme

The proposed works for Community Facilities over the 10 year period have a total value of \$53.4 million. The growth portion of these costs to be recovered is \$10.4 million. This makes allowance for the extended capacity provided in various projects.

(c) Interest costs

Interest has been calculated to add approximately 15% to the cost of funding future works. The interest costs are thus \$1.3 million.

Total cost of growth

Thus, the total cost of growth related capital works for community facilities is:

All amounts in \$millions excl GST

Expected DC Reserve Bal 2008/09	Capex to 2009/29	Interest	Total to recover
\$4.1	\$5.0	\$1.3	\$10.4

The Community Infrastructure Development Contribution is calculated at \$1,640 per *edu* (derived from \$ 10.4m and 6319 new households in 10 years).

In June 2009 Council made a decision to the effect that the 2008/09 charge of \$1,680 per *edu* shall apply for the year 2009/10. The charge applying from 1 July 2010 will be \$1,640 + 3% (or inflation whichever is higher) i.e. is expected to be \$1,680 per *edu*.

11.2.7 Transport Infrastructure

Capital works costs for transportation infrastructure associated with growth are based on the current 20 year works programme prepared as part of the draft LTCCP 2009-2019.

(a) Reserve Balance and Current year forecast

The combined outcome of Growth costs carried forward from 2007/08 and expected Growth Capex and Income for the 2008/09 year is \$11.0 million,

(b) Capital works programme

The proposed works for Wastewater over the 20 year period have a total value of \$412 million. The growth portion of these costs to be recovered is \$100 million. This makes allowance for the extended capacity (beyond 20 years) provided in various projects. It also recognises that increasing charges over the next 20 years means an appropriate portion is paid by *edu* in the later years, so that the Net Present Value (NPV) of all contributions over that period are equivalent

(c) Interest costs

Interest has been calculated to add approximately 75% to the cost of funding future works. The interest costs are thus \$43 million.

Total cost of growth

The total cost of growth related capital works for transportation infrastructure is:

All amounts in \$millions excl GST

Expected DC Reserve Bal 2008/09	Capex to 2009/29	Interest	Total to recover
\$11.0	\$83.0	\$43.0	\$100.0

The capital costs associated with the provision of transport infrastructure increase with the increasing road use arising from population growth and the associated increase in business activity.

For residential situations an equivalent development unit (*edu*) is defined as equivalent to one residential Dwelling. A Dwelling (or typical household) (1 *edu*) generates 10 vehicle movements per day.

For business development an *edu* is defined according to the use category as:

Low	1 <i>edu</i> = 300m ² GFA
Medium	1 <i>edu</i> = 150m ² GFA
High	1 <i>edu</i> = 100m ² GFA

These have been determined on the basis of the new traffic generated by each business use. (Refer section 12.6.)

The total number of transportation *edu* over the 20 year period are estimated to be for residential and business 12424 and 2856 respectively making 15280 in all.

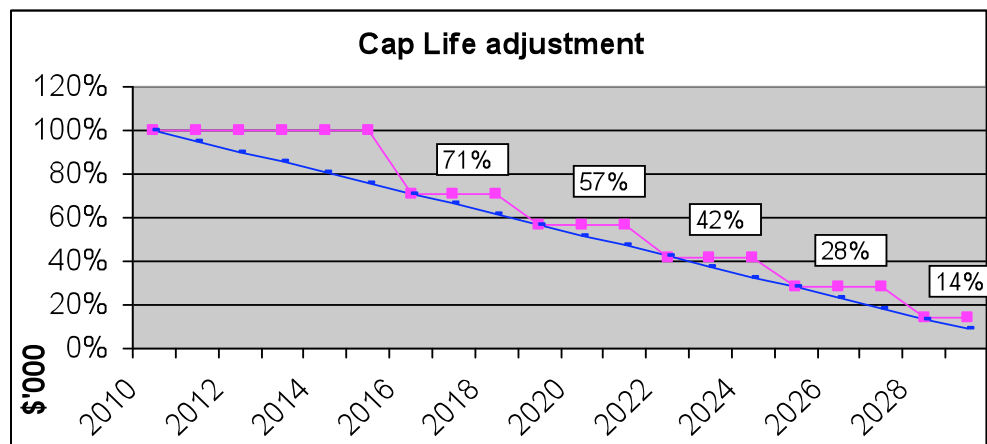
The transportation Development Contribution is calculated at \$6,640 per *edu* (derived from \$100m and 15280 new *edu*).

In June 2009 Council made a decision to the effect that the 2008/09 charge of \$4,160 per *edu* shall apply for the year 2009/10. The charge applying from 1 July 2010 will be \$6,640 + 3% (or inflation whichever is higher) i.e. is expected to be \$6,840 per *edu*.

11.3 Capacity Life Adjustment

Capacity Life Adjustment [CLA] describes an econometric refinement whereby for each project, the portion of its capacity life which applies to this 20 year period is paid for by this '20 year cohort' of new residents. Over the 20 year time period, the costs for infrastructure projects in the programme are recovered based on (a) their full value for the first six years only and (b) thereafter individual project costs are discounted to near zero in the 20th year. This recognises that whereas costs are necessarily incurred in advance of the actual project timing, the impact from later years is reduced substantially for the current fiscal year.

The diagram below shows the percentage of costs to be recovered from later projects over the 20 year timeframe. The CLA is applied across all activities in deriving the charges which are shown in the development contribution schedule – refer: Table 14.



12 Development Contributions Methodology

Under the Local Government Act 2002, a development contribution may be required only in circumstances described in sections (s197), (s198) and (s199) of the Act. The Council will assess each subdivision or development proposal against these requirements, and those set out in clauses 12.1 and 12.6 below, before requiring a development contribution.

The cases of “development” given below generate demand, and Council will determine, as a preliminary point, on a case by case basis, whether a particular project is a “development” as defined in s197.

The Council may require a Development Contribution to be paid when granting -

1. a resource consent under the Resource Management Act 1991 for a development;
2. a building consent under the Building Act 1991
3. an authorisation for a service connection

12.1 Water

Definition of development

For the purposes of the Water Supply Development Contribution (WSDC) development is defined to include:

- Any form of subdivision of land giving rise to additional entitlement to construct a dwelling or

- Construction of a second or subsequent residential dwelling on a single title whether or not future subdivision is contemplated or
- Commercial/industrial development where the water demand requirement exceeds that equivalent to a single residential Lot or
- Any Rural Residential or Rural zoned land for which a water connection is required

The WSDC is not payable

- in the case of any change in the tenure of an existing title where no additional entitlement to construct a dwelling is created; or
- on an existing allotment (single title) within Franklin District, or for an existing metered supply, except as provided below

Application of Development Contributions – Water

Development Contributions for Water shall apply to Network Service Areas (refer definitions) and to developments outside those areas where connection to the public system is sought.

How the charge is calculated

The Water Supply Development Contribution is based on the following:

R = \$Rate per *edu* = \$2,120 plus GST (as at 1 July 2009)

N = total number of Lots

Nu = total number of separate residential units

No = initial number of separate residential units

O = original number of Lots

Q = peak demand in litres per minute (LPM)

edu = equivalent development unit = one residential Lot = 25 LPM

(a) Subdivision of land - Residential or Commercial/Industrial (Business Zone)

$$WSDC = R \times (N - O)$$

The charge is based on the additional number of Lots created by the subdivision.

(b) Multiple residential units on a single Lot

$$WSDC = R \times (Nu - No)$$

Multiple residential units are treated as if they were each located on a separate fee simple title. No additional fee is payable on later subdivision.

Multiple units served by a single meter will be determined as described in e) below

(c) Rural Residential subdivision

$$WSDC = R \times N$$

The charge is payable for each Lot making a new connection to the public water supply system.

Water supply to Rural Residential zoned land is subject to availability.

(d) Rural zoned land

$$WSDC = R \times N \quad \text{or}$$

$$WSDC = R \times Q / 25 \quad \text{where peak demand is greater than 25 LPM}$$

Supply to Rural land is subject to the availability of supply. An individual water supply agreement may be required, and an additional local development contribution will be levied as appropriate.

(e) Commercial / Industrial premises

$$WSDC = R \times (Q / 25 - 1) \quad \text{where peak demand requirement is greater than 25 LPM}$$

The WSDC must be paid before any new or additional water meter connections will be installed.

The cost of a meter water connection is not included in the charges above. A flow control valve (FCV) may be installed to protect the water meter installation if required by the Water Supply Asset Manager, at an additional cost to the applicant.

Bulk Water Meter

No reduction in water supply or wastewater development contributions is permitted for multiple dwelling units serviced by means of a bulk water supply meter, such as for a retirement village or similar.

Fire Mains

There is no development contribution payable on private fire mains or fire sprinkler mains.

Provision of Reticulation

In adopting this methodology the Council also proposes to rationalise the rules associated with the provision of water reticulation by developers within the Residential and Business zoned areas only. These are provided for as follows:

- (a) The developer is responsible for the provision of all reticulation within the subdivision site or property, and for meeting the costs of making connection to the public reticulation.

- (b) The Council will meet the costs of reticulation on existing fully formed public roads, including the frontage of the development on such roads. This will however not apply where existing unformed roads are required to be constructed by the developer; such will be treated as part of the subdivision works unless otherwise determined by the Council.

- (c) Where mains are required to service other lands beyond the development, Council may agree to meet the additional construction costs of water mains within the development for pipe sizes greater than 150mm. However where a 200mm main is dictated for fire protection, the developer will be required to meet the full cost of at least the 200mm mains.

- (d) Council will accept such charge on condition the developer formally notifies Council prior to the submission of engineering plans for the development. This notice shall include estimates the total costs and level of costs expected to be covered by council.

The Council will confirm acceptance of the charges, only after agreement has been reached as to the value of the works. The amount to be paid will become due only after all construction works within the development have been fully accepted by Council as complete and a 224C certificate issued. The agreed amount may be offset against any other fees due to the Council for the development.

Rural and Rural Residential zoned lands, unless they are included in an approved Structure Plan as quasi-Residential zone, are excluded from the above (quasi-residential zones occur when existing rural land is subdivided and serviced in an urban manner.) In such cases, the developer will generally be required to meet the total cost of infrastructure provision. Developments approved by Consent Order in the Environment Court will also require special consideration.

12.2 Wastewater

The Wastewater Development Contribution (WWDC) is based on a correlation with water supply demand. Where water is privately supplied, the Council may require that a water meter be installed or that wastewater discharge be monitored via a separate trade's waste consent.

Definition of development

For the purposes of the WWDC development is defined to include:

- Any form of subdivision of land giving rise to additional entitlement to construct a dwelling or
- Construction of a second or subsequent residential dwelling on a single title whether or not future subdivision is contemplated or
- Commercial/industrial construction where the water demand requirement exceeds that equivalent to a single residential Lot or
- Any Rural Residential or Rural zoned land for which a wastewater connection is required

The WWDC is not payable

- in the case of any change in the tenure of an existing title where no additional entitlement to construct a dwelling is created; or
- on an existing allotment (single title) within Franklin District, or for an existing connection to the public sewer, except as provided below.

Application of Development Contributions – Wastewater

Development Contributions for Wastewater shall apply to those areas as defined in Network Service Areas (refer appendix).

How the charge is calculated

The Wastewater Development Contribution is based on the following:

R = \$Rate per *edu* = \$6,200 plus GST (as at 1 July 2009)

N = total number of Lots

Nu = total number of separate residential units

No = initial number of separate residential units

O = original number of Lots

Q = peak water supply demand in litres per minute (LPM)

edu = equivalent development unit = one residential Lot = 25 LPM (wastewater discharge is correlated with water supply peak demand)

(a) Subdivision of land – Residential or Commercial/Industrial (Business Zone)

$WWDC = R \times (N - O)$

The charge is based on the additional number of Lots created by the subdivision.

(b) Multiple residential units on a single Lot

$WWDC = R \times (Nu - No)$

Multiple residential units are treated as if they were each located on a separate fee simple title. No additional fee is payable on later subdivision.

(c) Rural Residential subdivision

$WWDC = R \times N$

The charge is payable for each Lot making a new connection to the public sanitary sewerage system. An additional local charge may be levied, as circumstances require.

(d) Rural zoned land

$WWDC = R \times N$ or $WWDC = R \times Q / 25$ for peak demand greater than 25 LPM

Wastewater disposal via public reticulation is ordinarily not available to rural zoned land. Where a connection is however allowed the property will become subject to land rates for drainage. An additional local development contribution fee may also be levied.

(e) Commercial / Industrial premises and apartment buildings

$WWDC = R \times (Q / 25 - 1)$ where peak water supply demand requirement is greater than 25 LPM

The Wastewater Development Contribution is based on a correlation with water supply demand. Where water is privately supplied, the Council may require that a water meter be installed or that wastewater discharge be monitored via a separate trade waste consent. The cost of a meter water connection (if required) or a trade waste consent is not included in the charges above.

The WWDC must be paid before any new or additional wastewater connections may be installed.

Bulk Water Meter

No reduction in water supply or wastewater development contributions is permitted for multiple dwelling units serviced by means of a bulk water supply meter, such as for a retirement village or similar.

In adopting this methodology the Council also proposes to rationalise the rules associated with the provision of wastewater reticulation by developers within the Residential and Business zoned areas only. These are provided for as follows:

- The developer is responsible for the provision of all reticulation within the subdivision site or property, and for meeting the costs of making connection to the public reticulation, for a distance of up to 60m outside the development property. The Council may agree to meet a share of the cost beyond this distance, but subject to the provisions of (c) below.
- The Council may agree to meet the additional costs of wastewater reticulation within the subdivision or development where, in order to service other land beyond the development, the pipe size required will be greater than Dn 200mm or the increase in normal design depth will be greater than 500mm.
- Council will only accept such charges on condition that the developer (prior to the submission of engineering plans for the development) notifies Council of the following:
 - The request for cost sharing by the Council, and an estimate of the level of costs involved;
 - Whether there is any requirement for wastewater pumping.

The Council will confirm acceptance of the charges, only after agreement has been reached as to the value of the works.

The amount to be paid will become due only after all construction works within the development have been fully accepted by Council as complete and a 224C certificate issued. The agreed amount may be offset against any other fees due to the Council for the development.

Rural and Rural Residential zoned lands, unless they are included in an approved Structure Plan as quasi-Residential zone, are excluded from the above. In such cases, the developer will generally be required to meet the total cost of infrastructure provision. Developments approved by Consent Order in the Environment Court will also require special consideration.

12.3 Stormwater

Definition of development

For the purposes of the Stormwater Development Contribution (SWDC) development is defined to include:

- Any form of subdivision of land giving rise to additional entitlement to construct a dwelling within the Residential, Rural Residential or Business zone
- Construction of a second or subsequent residential dwelling on a single title whether or not future subdivision is contemplated.
- The construction of new buildings or extensions to existing buildings, in the business zone where the resulting roof area exceeds 200 m2.
- Commercial or industrial buildings constructed within the Rural Residential zone

The SWDC is not payable

- in the case of any change in the tenure of an existing title where no additional entitlement to construct a dwelling is created; or
- on an existing allotment (single title) within Franklin District, except as provided below; or
- on the roof area for existing commercial or industrial buildings; or
- for commercial or industrial buildings located within the Rural zone.

Application of Development Contributions – Stormwater

Development Contributions for Stormwater shall apply to those areas serviced by stormwater infrastructure. The areas are separated into two groups referred to as areas A & B, each with a separate SWDC \$Rate R1 and R2.

How the charge is calculated

The Stormwater Development Contribution is based on the following:

- R = R1, R2 = \$Rate per *edu*, as per Table 12.1 below
- N = total number of Lots
- Nu = total number of separate residential units
- No = initial number of separate residential units
- O = original number of Lots
- A = total area of multi unit housing Lot
- An = area of notional Lot = A / Nu

For commercial or industrial buildings (Business zone)

- Ar = total roof area (m2) (measured over external wall line)
- Ao = the existing roof area, or 200 m2, whichever is greater
- edu*(n) = *edu* value for an individual notional Lot of size A/Nu
- edu*(A) = *edu* value for Lot area A (total area of multi unit housing Lot).
- edu* (equivalent development unit) for stormwater is defined separately according to land use zones, as follows:

- Residential and Rural Residential zones (refer Table 12.2) *edu* are described by Lot area and imperviousness and

$$\text{net change in } edu = \sum edu(N) - \sum edu(O)$$
- Business zone (commercial or industrial buildings) *edu* are described by roof area (refer Table 12.2) where $1 \times edu = 400 \text{ m}^2$

Table 12.1 FDC stormwater areas

Area	Town	Charge GST excl
area A	Pukekohe including Buckland, and Waiuku	R1 = \$7,320
area B	Tuakau, Clarks Beach, Waiau Beach, Glenbrook Beach, Patumahoe, Pokeno, Bombay, Port Waikato, Kingseat, Kaiaua, Hunua, Waiau Pa	R2 = \$4,720

Edu Lot Size Ratios

Table 12.2 edu based on Lot sizes

Lot size m ² range	Residential Dwellings number of edu	Roof size m ² range	Business Zone number of edu
0 – 299	0.66	200	0.5
300 – 499	0.74	400	1.0
500 – 699	0.88	600	1.5
700 – 899	1.00	800	2.0
900 – 1099	1.10	1000	2.5
1100 – 1299	1.19	1200	3.0
1300 – 1499	1.27	1400	3.5
1500 – 1999	1.40	1600	4.0
2000 – 2499	1.56	1800	4.5
2500 – 2999	1.70	2000	5.0
3000 – 4999	2.00	2200	5.5
> 5000	2.20	2400	6.0

Note: For implementation purposes a version of this table is used with 50m² increments for Lot size.

(a) Subdivision of land – Residential and Rural Residential land

$$SWDC = R \times [\Sigma edu(N) - \Sigma edu(O)]$$

The charge is based on the value of changed *edu* – calculated as the sum (Σ) of the *edu* of all the new Lots, less the sum (Σ) of the *edu* for all the initial Lots (thus representing the change in imperviousness).

(b) Multiple residential units on a single Lot

$$SWDC = R \times (Nu \times edu(n) - edu(A))$$

Multiple residential units are treated as if they were each located on a separate fee simple title, each with a notional Lot of size A / Nu. The net increase in the number of *edu* is found by summing the *edu* for each notional Lot, and then subtracting the number of *edu* represented by the original Lot of size A.

It is identical to (a) above for a subdivision of a single Lot (A) into Nu notional Lots of size A / Nu. No additional fee is payable on later subdivision.

(c) Subdivision of land in Business Zone

The charge is based on the number of additional Lots created, each with a base entitlement of 200m² in roof area (equivalent to 0.5 *edu*), irrespective of Lot size.

$$SWDC = (R / 2) \times (N - O)$$

(d) Commercial / Industrial building construction in Business Zone

The charge is applied to new construction where the total roof area for building(s) or building extensions within a single Lot exceed 200m² in total. There is no charge for existing roof area.

$$SWDC = R \times (Ar - Ao) / 400$$

(e) Rural zoned land

Rural zoned land that is subject to subdivision for urban purposes is judged to have an initial *edu* of zero. Ordinary subdivision of rural zoned land does not otherwise attract the SWDC.

$$SWDC = R \times [\Sigma edu(N)] \text{ only when treated as "Residential" or as "Rural Residential" development.}$$

Provision of Stormwater Reticulation

In adopting this methodology the Council also proposes to rationalise the rules associated with the provision of stormwater by developers within Residential zoned areas. These are provided for as follows:

- (a) The developer is responsible for the provision of all reticulation within the subdivision site or property, and for meeting the costs of making connection to the public reticulation, for a distance of up to 60m outside the development property. The Council may agree to meet a share of the cost beyond this distance, but subject to the provisions of (e) below.
- (b) The Council may agree to meet the additional costs of stormwater reticulation within the subdivision for the difference in pipe sizes greater than 600mm or where the increase in normal design depth is greater than 500mm, and where the reticulation is required to service other lands beyond the development. Such cost share arrangements will apply only to subdivision of land within areas zoned Residential.

- (c) Infrastructure such as treatment ponds, dams, and floodways may be the subject of a cost share agreement where the scale of infrastructure is significantly increased by the need to serve catchments other than the subdivision site.
- (d) Council will not ordinarily accept a share of the costs for stormwater works within Rural Residential or Business zone or where the development is deemed to be of a commercial or industrial nature except as may be specifically determined by the Council on merit.
- (e) Council will accept such charge on condition the developer formally notifies Council prior to the submission of engineering plans for the development. This notice shall include estimates of the total costs and the level of costs expected to be covered by Council.

The Council will confirm acceptance of the charges, after agreement has been reached as to the value of the works. The amount to be paid will become due after all construction works within the development have been fully accepted by Council as complete and a 224c certificate issued. The agreed amount may be offset against any other fees due to the Council for the development.

12.4 Reserves and Open Space Amenities

12.4.1 Definition of development

For the purposes of the Reserves Land Development Contribution (RLDC) development is defined to include:

- Any form of subdivision of land giving rise to additional entitlement to construct a dwelling
- Construction of a second or subsequent residential dwelling on a single title whether or not future subdivision is contemplated.
- Construction of a dwelling within the business zone.

The RLDC is not payable

- in the case of any change in the tenure of an existing title where no additional entitlement to construct a dwelling is created; or
- on an existing allotment (single title) within Franklin District, except as provided below.

12.4.2 How the charge is calculated

The Reserves Development Contribution is based on the following:

R = \$Rate per Lot, or per *edu* = \$2,480 plus GST (as at 1 July 2009)

N = total number of Lots

Nu = total number of separate residential units

No = initial number of separate residential units

O = original number of Lots

Where an *edu* = single residential household unit

- (a) Subdivision of land – all zones except business

$$RLDC = R \times (N - O)$$

- (b) Multiple residential units on a single Lot within

Residential and Rural Residential zones

$$RLDC = R \times (Nu - No)$$

for the townships specified under (a) above

- (c) Additional dwellings on a single Lot in the Rural zone

$$RLDC = R \times (Nu - No)$$

- (d) Dwelling units within Business zone.

$$RLDC = (R) \text{ per dwelling unit}$$

Residential development in a business zone will attract RLDC at the time of either resource consent or building consent.

- (e) Commercial / industrial subdivision (business zone)

There is no RLDC for business zone subdivision, except as provided for under (d) above.

12.4.3 Provision of Infrastructure

Purchase of Land for Reserve

The following types of Reserve Land resulting from subdivision consent will be acquired by Council by purchase, and will be valued using the Valuation Methodology described below.

- a) Local reserves not exceeding 5000 m2
- b) Reserves identified in an approved Structure Plan (no size limitation)
- c) Esplanade reserves not identified as proposed Esplanades on FDC Operative District Plan planning maps.

Note that cycleways and pedestrian linkages between roads and other public spaces are provided for under the transportation activity.

Valuation Methodology

For lands to be purchased by Council as determined by this Policy, the valuation methodology is as follows:

Council will engage a registered valuer and an assessment will then be made of the value of the land as at the date of the release by Council of the section 224(c) certificate (Resource Management Act 1991).

The value will be based on the bare undeveloped land recognising the rights and configuration given to the land by the consent being considered.

In the event of dispute, the developer may obtain a second valuation by a registered valuer using the same methodology. If the matter cannot then be resolved between the developer and Council, the matter will be referred to a person to be appointed by the President of the New Zealand Institute of Valuers for adjudication, whose decision shall be final.

12.5 Community Infrastructure

Definition of development

For the purposes of the Community Facilities Development Contributions (CFDC) development is defined to include:

- Any form of subdivision of land giving rise to additional entitlement to construct a dwelling
- Construction of a second or subsequent residential dwelling on a single title whether or not future subdivision is contemplated.
- Construction of a dwelling within the business zone.

The CFDC is not payable

- in the case of any change in the tenure of an existing title where no additional entitlement to construct a dwelling is created; or
- on an existing allotment (single title) within Franklin District, except as provided below.

How the charge is calculated

The Community Facilities Development Contribution is based on the following:

R = \$Rate per *edu* = \$1,680 plus GST (as at 1 July 2009)

N = total number of Lots

Nu = total number of separate residential units

No = initial number of separate residential units

O = original number of Lots

Where an *edu* = single residential household unit

(a) Subdivision of land – all zones except business

CFDC = R x (N - O)

(b) Additional dwellings (including multi unit dwellings) in all zones

CFDC = R x (Nu - No)

Residential development in a business zone will attract CFDC at the time of either resource consent or building consent.

(c) Commercial / industrial subdivision (business zone)

There is no CFDC for business zone subdivision. Charges are incurred if residential dwellings are built, as provided for under (b) above.

12.6 Transport Infrastructure

12.6.1 Definition of development

For the purposes of assessing the Transportation Development Contributions (TRDC) development is defined to include:

- Any form of subdivision of land giving rise to additional entitlement to construct a dwelling
- Construction of a second or subsequent residential dwelling on a single title whether or not future subdivision is contemplated.
- In the business zone, the construction of new building(s) or building extensions within a single Lot.
- Commercial or industrial buildings constructed within any other zone (treated as quasi business zone).
- Land use changes where no significant buildings are involved, but increased traffic including heavy vehicles is expected.

In assessing the charges for:

- Change of use: If the business activity within a building changes, then the DC may be re-evaluated as part of building consent processing.
- Code of acceptance: A building consent issued for works undertaken will be assessed for DC contribution under the policy applying at the time of consent.

- Mixed business activity: Buildings having more than one tenancy will be evaluated for each separate business activity using table 12.3.

The TRDC is not payable

- In the case of any change in the tenure of an existing title where no additional entitlement to construct a dwelling is created; or
- On the existing GFA for commercial or industrial buildings.
- On any part of a building Floor Area dedicated to car parking. (That is car parking for staff or customer use, not the storage of cars or other automotive materials) A TRDC may later be applied in the event of a change in land use, wherein dedicated car parking area within the building is converted to another use.

12.6.2 How the charge is calculated

The TRDC is based on the following:

R = \$Rate per *edu*, = \$4,160 plus GST

N = total number of Lots

O = original number of Lots

Nu = total number of separate residential units

No = initial number of separate residential units

An = total GFA (Gross Floor Area) of premises in m²

Ao = existing GFA, or 100m², whichever is the greater.

vpd = vehicles per day, are traffic trip figures based on annual average daily traffic (aadt)

edu = (equivalent development unit) according to context is defined as follows:

- For residential dwellings
1 *edu* = one Lot or one dwelling.
- For commercial or industrial buildings

The number of *edu* is calculated on the basis of floor area as a function of land use and traffic generation. Three categories of land use activity are described under table 12.3 below.

The Transportation *edu* for each category is defined as

- Low 1 *edu* = 300m² GFA
- Medium 1 *edu* = 150m² GFA
- High 1 *edu* = 100m² GFA

- For land use activities resulting in increased traffic [deemed unrelated to building activity]

The number of *edu* is calculated on the basis of the traffic generated by heavy vehicles. For the purposes of this Policy, a truck is considered to be equivalent to two cars in terms of *edu*.

V_n = proposed vpd for (cars + heavy vehicles x 2) in vpd

V_o = existing vpd for (cars + heavy vehicles x 2) or 10 vpd, whichever is the greater.

1 *edu* = (car vpd + heavy vehicle vpd x 2) / 10

Table 12.3 – Business uses and vpd

Category	Activity	vpd per (100m ²)GFA
Low	Industrial, low volume commercial etc	Less than 16
Medium	Range of commercial, retail and entertainment activities	16 - 45
High	High level Retail etc	Greater than 45

Traffic trip figures in vpd are based on annual average daily traffic (aadt) figures taken from the following sources:

- ITE: Institute of Transportation Engineers, 7th Edition, 2003, Trip Generation
- RTA: Roads and Transport Authority of New South Wales, Oct. 2002, Guide to Traffic Generating Developments v2.2
- NZTPDB: NZ Trips & Parking Database Bureau Inc, Aug. 2006, Trips and Parking Database
- In cases of where the land use activity definition may be unclear, an applicant may submit evidence on expected traffic generated by the proposed activity by a report compiled by a Chartered Professional Engineer experienced in traffic engineering.

a) Subdivision of land

Residential subdivision

$$TRDC = R \times (N - O)$$

The charge is based on the number of additional Lots created by the subdivision.

Business zone

$$TRDC = R \times (N - O) / 3$$

Subdivision of land within the Business Zone assumes an initial Land Use category = Low

(b) Additional dwellings on a single Lot

$$TRDC = R \times (N_u - N_o)$$

Multi-unit Housing on a single Lot is treated as if each units located on a separate fee simple title. No additional fee is payable on later subdivision.

(c) Construction in Business Zone

$$TRDC = R \times (A_n - A_o) / 100 \quad \text{for High category}$$

$$TRDC = R \times (A_n - A_o) / 150 \quad \text{for Medium category}$$

$$TRDC = R \times (A_n - A_o) / 300 \quad \text{for Low category}$$

The charge is applied to new construction where the GFA for building(s) or building extensions within a single Lot exceed 100m² in total. There is no charge for existing floor area.

(d) Construction in Business Zone combined with Change of Land-use

There are three cases which may apply

$$TRDC = R \times (A_n / 150 - A_o / 300) \quad \text{for Low changing to Medium category}$$

$$TRDC = R \times (A_n / 100 - A_o / 150) \quad \text{for Medium changing to High category}$$

$$TRDC = R \times (A_n / 100 - A_o / 300) \quad \text{for Low changing to High category}$$

(e) Change of Land-use

The greater of the GFA based calculation under (c) or (d) above or

$$TRDC = R \times (V_n - V_o) / 10$$

This applies where GFA development is low but there is significant traffic generation expected.

12.6.3 Provision of Transportation Infrastructure

The cost share provisions of section 12.7 apply.

(a) Development in Residential or Business Zone

The developer is responsible for any necessary road upgrading along the full length of their property frontage and for up to 30m beyond the frontage.

The extent of road upgrading required may include the carrying out of road carriageway widening and/or reconstruction to a maximum of 6m from the road centreline. The extent of works may

include reshaping of the berm, the provision of kerb and channel and associated drainage works, footpath, streetlighting, road marking, traffic signage and the undergrounding of existing overhead power cables. The relocation of existing underground services made necessary by the road upgrading works will be at the developer's cost.

Responsibilities may also include the extension of transport networks such as walking and cycle ways in the vicinity of the development.

(b) Development in Rural Residential Zone

Road upgrading requirements for the Rural Residential zone are the same as for Residential zone, unless the Council agrees that the underlying purpose of the zone is to provide a buffer to adjacent rural zoned land. In such cases, a lesser standard of road upgrading works may be agreed.

(c) Development in Rural Zone

The same responsibilities as in residential and Business Zones apply, except the standard of upgrade required will be less than that for urban zoned areas. Council will determine the standard to be applied as appropriate for each situation.

(d) Development in particular circumstances

At Council's discretion it may agree to meet part of the additional costs of roadway development within the subdivision, development or roadway where the design requirement exceeds that for a standard local road.

12.6.4 Transport Infrastructure and Local Financial contributions

Council is retaining the provision under the District Plan to require the payment of a local roading financial contribution for the purpose of carrying out works to mitigate significant adverse traffic effects on the local network and not otherwise included within the Capex programme. The payment of a local roading financial contribution, if appropriate, shall be in addition to the development contribution assessed under this policy.

Situations where the payment of a local roading financial contribution may be applied will be determined in accordance with the District Plan and may include (but is not limited to) high traffic generating activities such as :

- Hospital and Medical Centres
- Supermarkets
- Shopping Centres

The Local Roding financial contribution if appropriate will be assessed at the time of resource or building consent to address the local impact of traffic on the roading network.

12.7 Special Activities

This section deals with special categories of use and other matters. It applies to all activities covered in this policy.

Subsidiary Dwellings

Under Council policy 6.9.2 a discount of up to 50% of the development contribution fee may be granted at the time of building consent application for a subsidiary or second dwelling in Rural or Rural Residential zone only and complying in all respects with any resource consent requirements. The full amount of the balance amount will immediately become due at current rates in the event that the activity status of the dwelling is altered to no longer comply with Policy 6.9.2. Retrospective applications for remission will not be considered.

Dwellings in Business Zone

A dwelling unit constructed within a business zone, including units located above commercial or industrial premises, will attract a full development contribution as for an additional dwelling in a residential zone.

Removal or Demolition of existing Buildings

In the assessment of any development contribution due at the time of building consent, allowance may be made for buildings removed or demolished within the previous five years as appropriate, and where there is sufficient evidence available as to the previous land use category, the dimensions of the pre-existing buildings and previous connections to infrastructure.

Pack House Construction

In assessment of the transportation fee relating to a Pack House in the Rural Zone [as defined in the District Plan] officers have discretion to waive the fee for small roofed areas not intended to be closed in with more than one wall, where satisfactory evidence is provided that show vehicle generation rates will not be increased within the site. Such relief may be conditional on entering into a written agreement requiring the fee become due immediately and at then current rates should the structure later be closed in.

Marae and Churches

The Transportation development contribution for Marae and Churches is assessed on the basis of the floor area for the main auditorium or hall only. Areas of the building that provide an ancillary purpose, such as store rooms, meeting rooms, kitchens and ablution areas are not included in the assessment.

All other development contribution fees apply as for business; there is no assessment for community facilities or open space amenity. Dwelling units associated with the above will however attract standard development contributions

Camping Grounds

The development assessment for transient accommodation such as Camping Grounds is assessed on the basis of the most probable peak demand for water supply derived from the number and type of water appliances proposed, using AS/NZS 3500.

The relationship of 1 Lot = 3 persons = 25 LPM is used where required to establish the number of *edu* to be applied in formulae.

Permanent accommodation will be separately evaluated on the basis of each independent living unit or site being equivalent to one residential dwelling.

Private Development Agreements

Council may enter into an Agreement with developers, such as MOU (or other structure plan) partners, for the provision and/or funding of infrastructure. Council's intent will be to promote the wellbeing of the community, to ensure the efficient provision of infrastructure, and to ensure equitable charging, consistent with the principles of this Policy.

Motel Units

Motel units or travellers' accommodation units are each viewed as separate residential dwellings. The resulting number of *edu* is further modified by a percentage reduction factor as per the following table.

Thus the number of *edu* is modified by the percentage multiplier shown:

Water	n/a see below	OSA (District & Local)	60% of full charge
Wastewater	n/a see below	Community Facilities	60% of full charge
Stormwater	n/a see below	Transportation	60% of full charge

Stormwater *edu* is assessed on the basis of roof area in the same manner as for commercial property in Business Zone. As water supply is customarily supplied via a single bulk meter, the flow capacity of the meter is used in calculating the number of *edu* to be applied for both water supply and wastewater.

13.0 Remissions/Refunds and GST

13.1 Remissions/Refunds

(a) Where Council has required development contributions on a resource consent application and either:

- No development is undertaken on the site within ten years, or
- The resource consent lapses

Then the original development contribution amount will be refunded (less administration fee and any taxes paid (including GST), which are not refundable, to the owner of the site at the time the refund becomes due.

When a development contribution has been taken at the time of building consent and the consent lapses or expires, Council will refund the contribution.

A remission of the Transportation infrastructure charge may be available to Pack House construction under prescribed circumstances. This is detailed under Part 12.7 Special Activities.

(b) Extraordinary circumstances

The Council may agree to remit a portion of an infrastructure activity fee in extreme and unusual circumstances where it is satisfied:

the costs incurred by a developer in the provision of that infrastructure are judged to be unduly onerous, (ii) they exceed that reasonably anticipated under the policy provisions, and (iii) such would create inequity when measured against costs ordinarily incurred by developers.

Such relief will only be considered where the overall scope and size of the development is atypical and where it is proposed the developer will provide an inordinate share of the total activity infrastructure required for the community or township. Remission will not be considered in conjunction with any cost share agreement for that same activity infrastructure.

13.2 Statement on Goods and Services Tax (GST)

Development Contributions required in the form of money have been calculated on a net basis and so all figures in this policy are stated as "exclusive of GST". GST is due on Development Contributions and so will be added to these contributions when payable.

Schedule of Development Contributions Payable and Timing of Collection

14.0 Development Contributions Payable

The schedule of charges shown in Table 14(a) is to be applied as from 1 July 2009 to 30 June 2010.

Summary Schedule								all amounts exclude GST
Area	Transport	Water Supply	Wastewater	Stormwater	Open Space Amenity	Community Infrastruct'	Total Devel. Contrib. per edu	
Pukekohe (Sth SW catchment)	4,160	2,120	6,200	7,320	2,480	1,680	23,960	
Pukekohe (Nth SW catchment)	4,160	2,120	6,200	7,320	2,480	1,680	23,960	
Buckland	4,160	2,120	6,200	7,320	2,480	1,680	23,960	
Waiuku	4,160	2,120	6,200	7,320	2,480	1,680	23,960	
Tuakau	4,160	2,120	6,200	4,720	2,480	1,680	21,360	
Clarks Beach	4,160	2,120	6,200	4,720	2,480	1,680	21,360	
Waiuu Beach	4,160	2,120	6,200	4,720	2,480	1,680	21,360	
Glenbrook Beach	4,160	2,120	6,200	4,720	2,480	1,680	21,360	
Patumahoe	4,160	2,120	6,200	4,720	2,480	1,680	21,360	
Kingseat	4,160	n/a	6,200	4,720	2,480	1,680	19,240	
Pokeno	4,160	2,120	n/a	4,720	2,480	1,680	15,160	
Bombay, Waiuu Pa, Hunua	4,160	n/a	n/a	4,720	2,480	1,680	13,040	
Port Waikato, Kaiaua	4,160	n/a	n/a	4,720	2,480	1,680	13,040	
Paerata	4,160	2,120	n/a	n/a	2,480	1,680	10,440	
all other - rural & unserved	4,160	n/a	n/a	n/a	2,480	1,680	8,320	

Table 14(a) – Development Contributions Payable per *edu* effective 1 July 2009 to 30 June 2010.

Summary Schedule								all amounts exclude GST
Area	Transport	Water Supply	Wastewater	Stormwater	Open Space Amenity	Community Infrastruct'	Total Devel. Contrib. per edu	
Pukekohe (Sth SW catchment)	6,840	2,120	6,960	7,760	3,640	1,680	29,000	
Pukekohe (Nth SW catchment)	6,840	2,120	6,960	7,760	3,640	1,680	29,000	
Buckland	6,840	2,120	6,960	7,760	3,640	1,680	29,000	
Waiuku	6,840	2,120	6,960	7,760	3,640	1,680	29,000	
Tuakau	6,840	2,120	6,960	5,360	3,640	1,680	26,600	
Clarks Beach	6,840	2,120	6,960	5,360	3,640	1,680	26,600	
Waiuu Beach	6,840	2,120	6,960	5,360	3,640	1,680	26,600	
Glenbrook Beach	6,840	2,120	6,960	5,360	3,640	1,680	26,600	
Patumahoe	6,840	2,120	6,960	5,360	3,640	1,680	26,600	
Kingseat	6,840	n/a	6,960	5,360	3,640	1,680	24,480	
Pokeno	6,840	2,120	n/a	5,360	3,640	1,680	19,640	
Bombay, Waiuu Pa, Hunua	6,840	n/a	n/a	5,360	3,640	1,680	17,520	
Port Waikato, Kaiaua	6,840	n/a	n/a	5,360	3,640	1,680	17,520	
Paerata	6,840	2,120	n/a	n/a	3,640	1,680	14,280	
all other - rural & unserved	6,840	n/a	n/a	n/a	3,640	1,680	12,160	

Table 14(b) – Development Contributions Payable per *edu* effective 1 July 2010.

14.2 Adjustments to the Cost per *edu*

Adjustments to the Cost per *edu* for development contributions made under this policy are ordinarily undertaken by Council when adopting the LTCCP (Long Term Council Community Plan). In intervening years, automatic adjustments to the cost per *edu* are made annually at 1 July on the basis of the Construction Cost Index as published by Statistics New Zealand, or an equivalent price index, as given for the prior 12 month period ending 30 June. The figure to be used is the maximum of the index or 3% pa.

15 Requirement for and Timing of Development Contributions

Council's Development or Financial Contributions Policy and Schedule applies from 1 July 2004, and the specific provisions of the LTCCP 2009-19 Policy apply after 1 July 2009.

This Policy does not apply to applications received before 1 July 2004. For transportation only, contributions shall apply only for applications lodged after 1 July 2006.

15.1 Timing of Development Contributions

Development contributions shall be required for the capital expenditure associated with growth for transportation, water, wastewater, stormwater, open space amenity and community infrastructure activities, and shall be required to be paid at the earliest of:

1. in the case of a contribution required when granting a resource (land use) consent, on the issue of the consent;
2. in the case of a contribution required when granting a subdivision consent, on the issue of the section 224(c) certificate;
3. in the case of a contribution required when granting a building consent, on the uplifting of the consent;
4. in the case of a contribution required when granting an authorisation for a service connection, immediately.

Development is defined in Part 12 of this Policy.

Contributions become due as set out in the schedule under Part 14 and are required as a prerequisite for connection to the stated infrastructure. Payment becomes due at the first opportunity in situations where there may be more than one avenue for joining or connecting to the infrastructure.

For example, the water supply contribution may become due at any one of the following points in time: at the time of uplifting a building consent, on submitting an application for water meter installation, or on completion of a land use consent or subdivision consent – whichever of these comes first. The contribution is payable only once however.

15.2 Amount to be Paid, Early Payment

The amount of the contribution payable shall be calculated by the Council in accordance with the Policy in effect as at the date that payment is made. To provide sufficient certainty to developers, a development contribution may be paid at any time from the date of assessment up to the date when the development contribution is required to be paid (in accordance with this clause). In the event of non payment of a development contribution, the Council may exercise its powers under s208 of the LGA 02.

Partial payments will not be accepted as meeting the above requirement; conversely, early payments are accepted when the amount of the payment is in full and in accord with the assessment or the invoice provided for the purpose.

15.3 Deferral of Development Contribution Charges

Council may, at its sole discretion, allow delayed payment of charges beyond subdivision consent (224c) or Building Consent approvals. A deferral shall apply for a specified time period and may cover the deferral of some or all of the activity charges for a specific time, or until other conditions specified by Council are met.

Such arrangements may, at Council's sole discretion, include security arrangements such as encumbrances, or statutory land charges and provision for the payment of interest or fees. Such a facility will be made available only under special circumstances, as the Council may agree to from time to time.

The Council may require developers to pay the Council's reasonable legal costs in entering into deferral arrangements.

Developers will retain the right to pay DC charges at any earlier time at their discretion.

Any deferral of DC charges will be administered in accordance with the rules established by Council at the time that the deferral is in effect.

16 Cost Share Arrangements

16.1 Infrastructure Cost Share

Circumstances whereby a Council cost share may arise are outlined in section 12 under each activity.

'Point' infrastructure refers to single major infrastructure items, such as stormwater attenuation dams, pumping stations, trunk sewers, and major culverts or bridges.

The Council may agree to meet part of the additional costs for significant 'point' infrastructure required for a subdivision to proceed where it is agreed that additional design capacity is required to serve other lands beyond the site. A cost share will only be accepted if a request is made no later than at the time of engineering plan approval, and if a reasonably accurate cost estimate is provided at the time.

Council may insist on a process of competitive tendering and on being consulted on the selection of the successful tenderer.

The Council will confirm acceptance of the charges, only after agreement has been reached as to the value of the works.

As a general rule, the Council may not agree to accept a share exceeding 50% of the total cost of the works, and then with an upper limit of \$300,000 excluding GST. Under some circumstances, the Council may determine it will not participate in any cost share agreement until two or more developers agree to jointly share in the project costs, thus reducing the amount of the cost share to be borne by Council.

The amount to be paid will become due only after all construction works within the development have been fully accepted by Council as complete and a 224C certificate issued. The agreed amount may be offset against any other fees due to the Council for the development.

16.2 Sequencing of Development

Sequencing refers to the logical extension of development within a catchment or network area, avoiding long dead runs through intervening undeveloped land or the construction of new infrastructure well beyond the development land. The preferred pattern of growth generally follows a systematic and progressive path, building on existing infrastructure wherever possible and making efficient use of the new asset created. Council may incur additional costs where this cannot be achieved, detrimentally affecting funding available for other growth related projects. This therefore must be considered in any cost share arrangement to be entered into.

Factors to be considered include:

- Scale of the infrastructure investment required (its cost)
- Distance to reach a point of connection to existing infrastructure
- Logical extension of infrastructure outwards (avoiding dead runs)
- Agreed timetable or schedule for major capital works in the LTCCP

Problems can arise therefore where significant capital investment is required on the Council's part, the works may not be programmed in the LTCCP, or the early timing may be adjudged an inefficient use of Council funds.

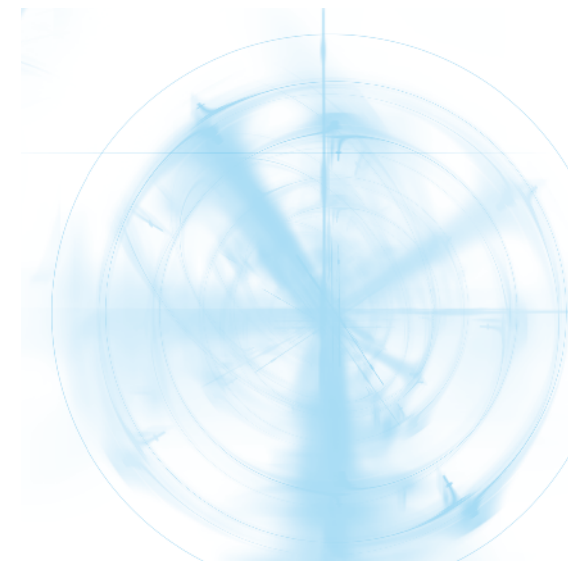
Such issues may arise where the logical pattern of extension (outwards from the centre towards the periphery) is not taken into account, resulting in initial 'dead running' of the infrastructure asset. An example is where a developer at the top end of a catchment wishes to proceed before intervening lands can be developed.

A one-off local contribution towards the additional costs incurred by Council (in addition to the standard development contribution) may be levied before the Council agrees to the development proceeding.

Alternatively, the Council may require the developer to meet the full cost of connection to infrastructure, without recompense and in addition to any local contribution that may be assessed, together with the full amount of development contributions.

The Council contribution (if any) is not payable until completion of the development, taken to be the date of issue of the Section 224c certificate (RMA) in the case of subdivision.

The Council may resolve (at its sole discretion) to defer any financial commitment on its part for up to two years after the date of completion. This means that the applicant will meet the full costs of the provision of infrastructure during this period.



APPENDIX

Definitions

Equivalent Development Unit: (edu)

The term *edu* is used to describe the units of demand assessed for particular infrastructure.

It is derived from the general equation:

$$\text{\$Rate} = \text{Total Cost of Capex (Growth)} / \text{Total units of demand}$$

Capex = capital works programme.

Gross Floor Area: (GFA)

Is the sum of the total area of all floors of all buildings. The GFA shall be measured from the exterior faces of exterior walls or from the centreline of common walls separating buildings, and includes basements and mezzanine floors.

Network Service Area

The area of the district to where development contributions apply, as described in the following Table 15.0.

Table 15.0 –Network Service Areas

Water Supply	
Pukekohe, Waiuku, Tuakau	All urban areas, residential, business not rural residential zones
Patumahoe, Pokeno, Onewhero, Bombay, Port Waikato	All urban areas, residential, business not rural residential zones
Clarks, Waiiau and Glenbrook Beaches, Buckland	All urban areas, residential, business not rural residential zones but including Glenbrook Bch and Buckland growth areas Note: “special” zones not included

Wastewater	
Pukekohe, Waiuku, Tuakau	All urban areas, residential, and business zones – not rural residential zones.
Patumahoe, Kingseat	All urban areas, residential, and business zones – not rural residential zones.

Clarks, Waiiau and Glenbrook Beaches, Buckland	All urban areas, residential, and business zones not rural residential zones but including Glenbrook Bch and Buckland growth areas
--	---

Stormwater	
Pukekohe (including Buckland), Waiuku, Tuakau	All urban areas, residential, business and rural residential zones.
Clarks, Waiiau and Glenbrook Beaches	All urban areas, residential, business and rural residential zones.
Patumahoe, Port Waikato, Kingseat	All urban areas, residential, business and rural residential zones.
Pokeno, Bombay	All urban areas, residential, business and rural residential zones.

Community Facilities

Means reserves, network infrastructure. Or community infrastructure for which development contributions may be required in accordance with section 199.

Quasi-urban

Means land subdivided in an urban manner (medium-high density & serviced) but non-complying in terms of the current zoning.

(quasi-residential and quasi-business have similar meanings)

In these cases the sequencing rules will generally apply and the developer will be required to provide the total infrastructure to the development. The number of existing *edu* will generally be taken to equal nil in the case of water supply, wastewater and stormwater.

Community Infrastructure

Community infrastructure is defined in the Local Government Act 2002 as - utilities or structures built, owned or controlled by the territorial authority to provide public amenities.

e.g. halls, libraries, community centres

Franklin Council deals with land acquired for community Infrastructure purposes under Open Space Amenities activity.

Development Contribution

Means a contribution –

- (a) provided for in a development contribution included in the long-term council community plan of a territorial authority; and
- (b) calculated in accordance with the methodology; and
- (c) comprising –
 - (i) money; or
 - (ii) land, including a reserve or esplanade reserve other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or
 - (iii) both
- (d) a contribution taken by a territorial authority to provide for reserves and infrastructure necessary to support growth.

Development Contributions policy

Means the policy on development contributions included in the long-term council community plan of the territorial authority under LGA section 102(4) (d).

Network Infrastructure

Means the provision of roads and other transport, water, wastewater, and stormwater collection and management, reticulation, treatment and disposal facilities, and structures appurtenant to.

Schedule of Development Contributions

Means, the schedule to the council's development contributions policy required by LGA section 201 and setting out the information required by LGA section 202, namely

- The contributions payable in each district in respect of reserves, network infrastructure and community infrastructure
- The events giving rise to the requirement for a development contribution
- Specified by district and by activity

Service Connection

Means a physical connection to a service provided by, or on behalf of, a territorial authority.

"Connection" has the same meaning.

Structure Plan Areas

Where any new residential, rural village zones, coastal village zone or business zones are introduced through a structure plan and/or a plan change process, the application of development contributions will be determined at that time and incorporated into the development contributions policy in accordance with the Local Government Act 2002 as necessary prior to or in conjunction with any such plan changes.

Dwelling

DWELLING HOUSE means a detached or semi-detached residential building designed for, or occupied exclusively by one HOUSEHOLD. More than one dwelling unit may exist on a single Lot or site.

A sleep-out being a building used primarily as an additional bedroom unit and not having facilities for the preparation or storage of food is deemed to be part of the main building comprising the DWELLING.

HOUSEHOLD means a self-contained housekeeping unit, of one or more persons occupying and using a building for normal domestic residential or housekeeping activities.

Residential dwelling has the same meaning as DWELLING.

The following two definitions are used to distinguish two types of multi-unit housing where the main distinction is that Residential units are occupied medium to long term while accommodation is temporary (i.e. occupied by travellers).

MULTI-UNIT HOUSING means any residential development, whether of attached or detached structures or a combination thereof, which provides for the existence or establishment of more than one HOUSEHOLD on a site, and does not include MOTEL and HOTEL units or CAMPING GROUND.

Multi (or Multiple) Residential unit has the same meaning

SEMI-DETACHED UNIT refers to each unit of a development of two or more attached RESIDENTIAL BUILDINGS, whether of one or more storeys, which is, or will be by way of freehold subdivision, the only RESIDENTIAL BUILDING or UNIT on its site but which shares a common (freehold) boundary with the UNIT/S to which it is attached.



ACTIVITIES AND SERVICES (INTERVENTION) POLICY 2008

RATES REMISSION POLICIES

1. INTRODUCTION

The Activities and Services (Intervention) Policy provides a framework that articulates why Council undertakes certain activities as well, as the roles that Council will assume in carrying out these activities in delivering services to the community.

2. GUIDING STATUTORY AND STRATEGIC FRAMEWORKS

Council acknowledges its leadership role within the Franklin community and as a representative of the Franklin community in the wider regional and national context, and will adopt and pursue strategies, policies and service interventions that pro-actively advance the interests of the District's community.

Any level of intervention by Council will be tested with the community through Council's planning processes, including, but not limited to, the statutory processes of the Long Term Council Community Plan and District Plan development.

Council shall be guided by the following factors during the decision making process:

1. Council's Vision for Franklin
2. Council's Mission Statement for the Franklin District
3. Franklin District Growth Strategy
4. Franklin Community Outcomes
5. Compliance with legislative and district policies.

3. PRINCIPLES

The decision making process must be transparent and accountable and follow a robust process. Council will use the following principles in decision-making:

1. Promotion of the social, economic, environmental and cultural well beings
2. Achievement of efficiency and effectiveness

3. Actively encourage democratic local decision making through public participation
4. Work to build the capacity of communities and stakeholders
5. Adopt a design led approach to planning and development of the District
6. Exercise powers of regulation and enforcement consistent with legislative requirements, Council's policies, and Council's strategic intent in support of the well being of the District's communities.

4. CRITERIA

Council will undertake activities that promote wellbeing by adopting roles that support the community's aspirations.

1. Four well beings – Council will align its decision making to ensure that it takes into account social, economic, environmental and cultural well beings
2. Council will take into account the present and future well being of the District's communities, relative to the level of effect on any particular community
3. Legislative Compliance – Council will make decisions that are within the requirements of legislation
4. Long Term considerations – Council will take into account the impact on the Council's capacity to meet present and future growth and demand for an activity or service of Council
5. Maori consultation – Council will provide opportunities for Maori participation in local authority decision making in keeping with the terms of the Local Government 2002.

5. ROLES

1. Provider

Council will be a provider of services, activities, infrastructure or facilities provider, or a combination of these elements to signal that we are committed to the provision of the asset or activity.

2. Funder

Council contributes part or full funding to the provider of service or activity, when it supports the

delivery of that service or activity, but does not wish to deliver the service/activity itself.

3. Partner

Council enters into a formal strategic partnership with an external organisation with the express purpose of delivering an activity or asset.

4. Regulator

Council has statutory responsibility to regulate a function in the particular activity or service.

5. Specifier

Council formally specifies the service, activity or facilities required, but is not responsible for delivery.

6. Facilitator/Enabler

Council provides support and encouragement to other parties who are responsible for service delivery.

7. Monitor

Council measures the performance of others against pre-agreed goals and objectives.

8. Advocate

Council establishes a formal position relating to a particular activity or issue and acts as an advocate in support.

6. CRITERIA FOR PARTNERSHIPS

Council's Policy on Partnerships with the Private Sector focuses on financial considerations. The criteria for partnerships included in this Policy relate to the decision-making process on whether to enter into a partnership agreement or not.

There is a range of partnership options that Council can consider. Council will consider entering into a partnership only when the Council is satisfied that the proposed partnership will:

1. Contribute towards achieving the community outcomes identified in the LTCCP in an integrated and efficient manner
2. Promote social, economic, environmental and cultural wellbeing
3. Ensure efficient and effective use of Council resources in the interest of the District
4. Be subject to a cost/benefit analysis
5. Support Council's strategic goals

6. Support services and activities that benefit the wider community and are considered to fall within Council's capacity to deliver

7. Comply with the decision making process outlined in section 76 of the Local Government Act 2002.

7. REVIEW AND MONITORING

This Policy will be monitored and reviewed every three years to coincide with the review of the LTCCP.

Attachment: Council Groups of Activities and Roles Framework December 2008.

(This shows council's role and level of contribution by activity to the Community Outcomes)

SIGNIFICANCE POLICY

13 NOVEMBER 2008

1. INTRODUCTION

Council is required to have a policy on significance pursuant to section 90 of the Local Government Act 2002 (LGA).

The purpose of this policy is to provide guidance to Council in determining the significance of proposals and/or decisions. It includes procedures; criteria and thresholds that Council will use in assessing which issues, proposals, decisions and other matters are significant.

Council will normally consult on any matters of significance through the preparation, review, or amendment to its Long Term Council Community Plan (LTCCP), or where appropriate, through its Annual Plan. Notwithstanding this, Council may consult at any time, using the Special Consultative Procedure, with its community, where a matter is deemed to be significant through the application of this policy.

2. POLICY OBJECTIVES

1. To provide guidance to the community and Council for the purpose of identifying significance in relation to the issues, proposals, decisions or other matters which substantively affect the lives or future of the Franklin community.
2. To ensure that Council is informed of and carefully considers the consequences of decisions of significance during the process of decision making.
3. To help determine the appropriate means to engage with the community on a particular issue, proposal, decision, or matter.

3. PRINCIPLES

The more significant a matter or decision, the more likely Council will need to:

1. Consider the long term implications of the decisions.
2. Consider the impact on the LTCCP.
3. Consider the consistency of the decision with adopted strategies and plans.

4. Consider engagement and consultation with the community on their views.

4. DEFINITIONS

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

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

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

Special consultative procedure means the procedure set out in section 83 of the LGA.

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:

1. any asset or group of assets listed in accordance with section 90(2) of the LGA by the local authority; and
2. 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
3. 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.

Unbudgeted means a new proposal or decision about a proposal that is not in the current LTCCP nor in the current Annual Plan and which requires Council to raise new funding. This does not generally include changes in cost to existing proposals where the scope of the proposal or level of service delivered is not significantly changed, as these can be dealt with through overall fiscal management and prioritisation.

Wide range of people means a wide range of people and/or groups that reflect the make up of the District's community.

5. GENERAL APPROACH

In considering whether any issue, proposal, decision, or other matter is of significance under this policy, Council will be guided by the following:

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

In determining whether any issue, proposal, decision or other matter is significant Council will consider the thresholds and apply the criteria and procedures set out below in this policy.

6. THRESHOLDS

When undertaking a process to determine which issue, proposal, decision or other matter is significant, Council will recognise the following thresholds in determining significance. If any of these thresholds are triggered the matter will be significant.

1. Issues, proposals, decisions, assets, or other matters for which Council will:
 - (i) If the costs of a proposal or decision are estimated at 5% or more of the total rates for the District as shown in the Annual Plan or Long Term Council Community Plan for the financial year
 - (ii) incur unbudgeted capital expenditure exceeding 5% of the total value of Council's assets, or where spent on a strategic asset or strategic asset as a whole as defined in the LGA, or in Attachment One of this policy, exceeds 5% of that asset's value (Emergency works which are

required to protect life, property or level of service target as specified in an LTCCP shall be exempted).

2. The sale of Council's shareholding in any council controlled trading organisation, or council controlled organisation;
3. Entry into any partnership with the private sector to carry out a significant activity.

Where any issue, proposal, decision or other matter does not trigger one or more of the above thresholds, it shall be considered against the criteria contained in this policy, in assessing significance.

7. CRITERIA

The more tangible the impact or consequences of the issue, proposal, decision or other matter is likely to be, the higher the standard of compliance required with Part 6 of the LGA, and the more likely the matter will be 'significant'.

If an issue, proposal, decision or other matter satisfies one or more of the following criteria, the matter is likely to be significant:

1. Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as defined by the LGA or listed in this policy.
2. A decision that will significantly affect the capacity of the Council to carry out any activity identified in the LTCCP.
3. A decision that will significantly affect the cost to Council to carry out any activity identified in the LTCCP.
4. An issue, proposal, decision or other matter that will substantially affect a wide range of people and/or groups who reflect the make up of the District's community.
5. An issue, proposal, decision or other matter that will substantially affect a sub-group or assortment of people commonly recognised as a relatively large group/collection within the District's community.
6. The extent to which the decision flows logically and consequently from a significant decision already made or from a decision in the LTCCP or the Annual Plan.
7. The degree to which a decision on an issue or matter is difficult to reverse.
8. The matter will have implications for the present and future social, economic, environmental and cultural well-being of the District.

8. PROCEDURES

In achieving this policy, the following procedures will be followed:

1. Every report to Council on any issue, proposal, decision or other matter will include a statement indicating that the issue of significance has been considered.
2. Where the issue, proposal, decision or other matter triggers the thresholds or criteria of this policy and is therefore likely to be significant, the report to Council will also include a statement addressing the appropriate observance of the LGA in terms of decision making and consultation.
3. In receiving the report, Council (or the relevant Committee) may accept the report writer's assessment of significance made in the report and where relevant, the appropriate level and type of community engagement and/or consultation. Where Council does not accept the report writer's assessment of significance, a separate resolution will be made to that effect.
4. This procedure will be followed in every instance, except for reports going to the Regulatory Committee on decisions relating to the Resource Management Act 1991 (Act) where significance has already been determined in accordance with the notification provisions of the Act.

9. SIGNIFICANT ACTIVITIES

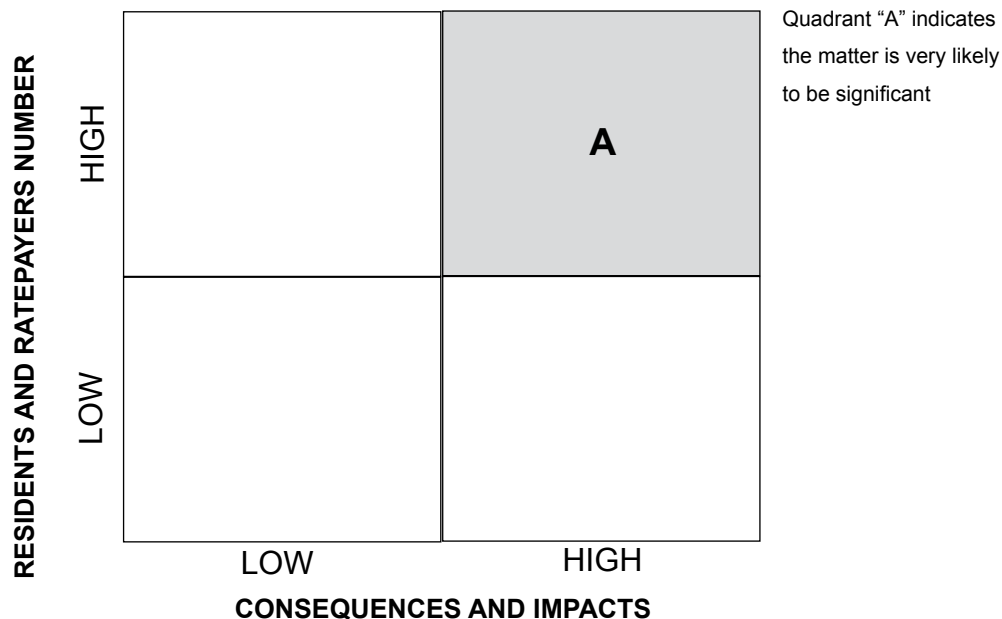
Any proposal by a local authority to alter the mode by which a significant activity is delivered must use the special consultative procedure.

1. Significant activities are the activities in total as outlined in the LTCCP and not the separate elements of the activities. The requirements of sections 88 and 97 of the LGA are only triggered if the proposal relates to the activity as a whole.
2. Section 97(1) (a) of the LGA requires that any decision to alter significantly the intended level of service provision including a decision to commence or cease any activity must be explicitly provided for in the LTCCP.
3. These provisions cannot be applied to changes in activities including the decision to alter or cease any activity and/or to significantly alter the level of service as a result of new statutes or changes to existing statutes being enacted.

IMPLEMENTATION GUIDELINES

As a conceptual illustration of the process of determining significance, Figure 1 shows that as a first step, an issue, proposal, decision or matter can be considered as very likely to be significant if the consequences or impacts of the issue, proposal, decision or matter affects a large number of residents and ratepayers or community of interest to a large extent.

FIGURE 1: CONCEPTUAL ILLUSTRATION OF QUANTATIVE/QUALITATIVE ASSESSMENT OF SIGNIFICANCE



The key factors used are:

- Number of citizens;
- Extent of effects;
- Service delivery;
- Significant activity or group of activities;
- Community Interests;
- Council capacity/role;
- Consultation;
- Impacts on current generation;
- Impacts on future generation;
- District well-being.

9. ACCOUNTABILITY AND REVIEW

Implementation:

- (1) All officers are accountable for implementing the policy and ensuring that every person or organisation contracted to or acting on behalf of Council adheres to the policy.
- (2) Council is responsible for the application of the policy.

Review and monitoring:

- (1) Council or the appropriate Council Committee is responsible for review of the policy.
- (2) Policy Team and Unit Managers are responsible for monitoring the effects of the policy.

Attachment: 1. Register of Franklin District Council's Significant Assets

Attachment One

REGISTER OF FRANKLIN DISTRICT COUNCIL'S STRATEGIC ASSETS

STRATEGIC ASSET	EXPLANATORY COMMENT
Cemeteries, entire asset network only	
Land and buildings	Takes account of transactions of \$500,000 or more
Parks, walkways, sportsfields	As defined under section 138(1) of the Act
Pensioner housing, entire asset network only	
Roading network, entire asset network only	
Stormwater network, entire asset network only	
Waste water system, entire asset network only	
Water system, entire asset network only	
Equity securities	Any equity security defined by section 5 of the Act
Tuakau Bridge	

PARTNERSHIPS POLICY

Presented to Council 22 DECEMBER 2008

POLICY ON PARTNERSHIPS WITH THE PRIVATE SECTOR

INTRODUCTION

Franklin District Council (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 to form 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.

Once adopted, this policy may only be amended through a Special Consultative Procedure.

POLICY STATEMENT

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 under which Council will provide funding or other resources to any form of partnership with the private sector will generally be as follows:

- 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 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, security and privacy rights.

CONSULTATION

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

CONDITIONS

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

- An emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentiality where appropriate.
- Risk allocation between the partners being clear and enforceable, with consequential financial outcomes. Council may require the partner to provide guarantees or other forms of 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 the 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 the risk, taking into account public interest considerations.
- The party 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's 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 have been 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.

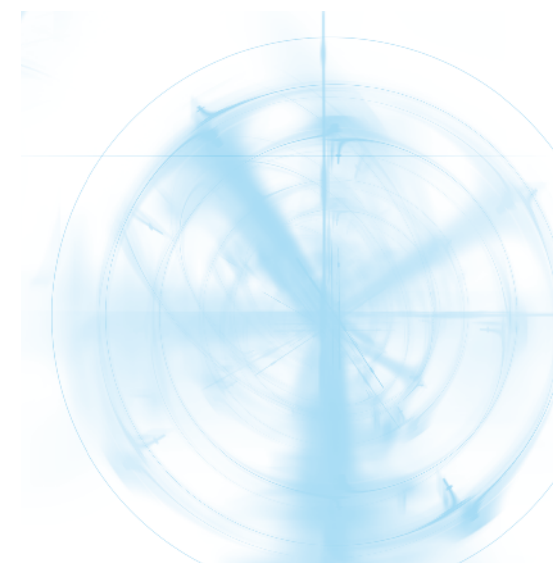
ACCOUNTABILITY AND REVIEW

Implementation

- All staff are accountable for implementing the policy and ensuring that every person or organisation contracted to or acting on behalf of Council adheres to this policy.
- Council is responsible for the application of the policy.

REVIEW AND MONITORING

- Council is responsible for the review of the policy as part of preparing each Long Term Council Community Plan.
- The Group Manager Strategic is responsible for monitoring the effects of the policy, and for reporting to Council as required.



WASTE MANAGEMENT PLAN 2006

EXECUTIVE SUMMARY

1.1 INTRODUCTION

It is the Franklin District Council's philosophy that the responsibility for waste management lies with individuals and the community. In saying this, the Council acknowledges that it has a special role to play in assisting its residents and ratepayers by ensuring that user friendly collection and disposal systems, that are economically and environmentally acceptable, are available in Franklin.

Franklin District Council (FDC) intends to focus on the following priority areas: hazardous waste, recycling and recovery opportunities, organic waste, lobbying central government, education and consultation, cleaner production - working with businesses and reviewing the waste bylaw.

This plan is to be reviewed every six years.

The full Waste Management Plan is available on the Council website. It has a glossary of terms.

Philosophy

Vision - To promote and establish waste management systems that are sustainable and operate in an efficient manner.

Community Desired Outcomes applicable to waste

The following community outcomes are relevant to this Plan:

- Excellent environmental management is promoted.
- Efficient and sustainable waste management is implemented in the District.
- Water supply and sewerage systems are efficient and effective to maintain environmental standards.
- Education on environment and heritage is provided.
- Local and regional cooperation for environmental management is fostered and promoted.

Objectives

Council aims to achieve an effective, timely, efficient and accessible service. These aims are:

- To lower the costs and risks of waste to society
- To reduce the environmental damage and harm caused by waste generation and disposal
- To increase economic benefit by using material resources more efficiently
- Encouragement, promotion and initiation of composting of organic waste

Acknowledgements

Franklin District Council gratefully acknowledges the assistance of numerous territorial local authorities in the production of this plan. We have drawn from various waste management plans and initiatives from a number of agencies along with the New Zealand Waste Strategy 2002.

Defining waste

Franklin District Council has chosen to adopt the New Zealand Waste Strategy definitions of waste. These are as follows:

Waste is any material, solid, liquid or gas, that is unwanted and/or unvalued, and discarded or discharged by its owner.

Solid Wastes are those generated as solids or converted to a solid form for disposal. They include common household wastes such as paper, plastic, glass, metals, appliances and kitchen and garden waste, as well as a range of industrial and commercial wastes, such as construction and demolition wastes, organic wastes from agricultural and food processing, and mine and quarrying tailings. Most solid wastes are disposed of in landfills or cleanfills. Some solid wastes, such as medical wastes generated by hospitals, are hazardous or potentially hazardous and require controlled disposal, often through high temperature incineration.

Liquid Wastes are those generated as liquids or disposed of into a liquid waste stream or suspended solids. Wastewater is collected by the sewerage system and piped to public wastewater treatment

facilities before being discharged into rivers or coastal waters. This includes domestic food wastes, washing water and toilet wastes, as well as chemical and process wastes from industry. Not all wastewater is collected by the sewerage system. Some domestic wastes go into septic tanks, and some industrial plants have their own treatment facilities. Non-point source discharges include livestock excrement and agrichemicals that are washed from the land by rainwater, and urban stormwater, which collects wastes as it channels rainwater into waterways and out to sea.

Gaseous Wastes consist of gases and small particles emitted from open fires, incinerators, agricultural and industrial processes, and vehicles. Once gaseous wastes have been released into the environment their effects are very hard to control. If gases are contained through pollution control devices before they enter the atmosphere, they can be controlled more easily.

Hazardous Wastes can be solid, liquid or gaseous in nature and may present hazards to human health, the environment and property requiring special management controls. Hazardous wastes include chemicals, infectious and radioactive materials and by nature are often complex mixtures of substances. A national definition of hazardous waste is being developed to provide consistency in defining hazardous waste (refer to the glossary for the draft definition).

Waste Hierarchy

This Plan is based on the waste management hierarchy, which advocates the management of waste in the following order of preference:

- Avoidance
- Reduction
- Reuse
- Recycling
- Recovery
- Treatment
- Residual disposal

1.1 SUMMARY

The Draft Waste Management Plan 2006 outlines Council's commitments and vision for waste management in the Franklin District for the next three years. By 1 July 2012 Council will produce a Waste Assessment and a Waste Management and Minimisation Plan which is required by the Waste Minimisation Act 2008

Current and future waste generation rates are discussed, including the existing Council collection systems, services and facilities. These include the Pukekohe and Waiuku refuse transfer stations, recycling depots, closed landfills, education programmes, household refuse collection, illegal dumpings, recycling, hazardous waste, inorganic waste, wastewater treatment and disposal, stormwater and gaseous waste. Later sections contain the national and local context for the Plan, including an overview of the relevant national legislation, Franklin District Council, Auckland Regional Council (ARC) and Environment Waikato (EW) plans.

The proposed levels of service and actions required to achieve those levels of service are detailed, along with an Action Plan and a timeline for the implementation of this plan. Recent variations to the 2006 Plan include:

- Extend the bag refuse collection to the Te Kohanga and Onewhero area
- Extend the crate-based kerbside recycling service to the Clarks Beach/Waiua Pa area.
- Develop a resource recovery centre at the Waiuku transfer station.
- Establish quarterly recycling drop-off days in the districts village centres such as Pokeno, Kaiaua, Patumahoe, Onewhero and Naike

WATER AND SANITARY SERVICES ASSESSMENTS

EXECUTIVE SUMMARY

PREFACE NOTES

(1) Scope:

These Assessments have been compiled in accordance with the provisions of Parts 123 – 129 of the Local Government Act 2002. Their focus is on the impact of water and sanitary services on public health and the environment.

(2) Format:

This report was produced in 2005 to assist Franklin District Council with its obligations as noted in (1) above. It should not be construed as Council policy

NOTE: Italic notes are updates from a Nov 08 review of the assessment

CONTENTS

1.0	SYNOPSIS
2.0	BACKGROUND
2.1	LGA Provisions
2.2	Statutory Provisions & Guidelines
2.3	The Assessment Process
2.4	Information Sources
2.5	Overview of Public Health Issues
3.0	PERSPECTIVE ON COMMUNITIES
3.1	Population Growth
3.2	Delineation of Communities
4.0	WATER SUPPLIES
4.1	Reticulated Systems
4.2	Private Water Supplies
5.0	WASTEWATER
5.1	Reticulated Systems
5.2	Private On-Site Wastewater Systems
6.0	STORMWATER
6.1	Systems in Main Towns and Settlements
6.2	Systems in Smaller Communities
7.0	APPLICABILITY OF NEW TECHNOLOGIES
8.0	SANITARY SERVICES
8.1	Public Toilets
8.2	Cemeteries and Crematoria
8.3	Septage Disposal
8.4	Solid Waste
9.0	ADEQUACY AND LIMITATIONS OF THIS ASSESSMENT
10.0	RECOMMENDATIONS
10.1	Reticulated Water Supplies
10.2	Private Water Supplies
10.3	Reticulated Wastewater Systems
10.4	Private On-Site Wastewater Systems
10.5	Stormwater
10.6	Sanitary Services
10.7	Council's Role
	APPENDICES
A:	Scheme-by-Scheme Public Health Risk Assessments – “Present” Case
B:	Consolidated Conclusions from Parts A to H
C:	FDC's Level of Service Statements for Water Services
D:	Explanation of Water Supply System Gradings

1.0 SYNOPSIS

Under the provisions of Part 7 of the Local Government Act 2002, Franklin District Council (FDC) has prepared a water and sanitary services assessment for the District. The core focus is on the impact of water and sanitary services, or indeed the lack of adequate systems, on public health and the environment. In turn the assessment has addressed:

- Water services:
 - reticulated water supply schemes (13 by FDC and one by Watercare)
 - reticulated wastewater schemes (9)
 - urban stormwater systems
 - private water supply and wastewater, in communities without reticulated systems
- Sanitary services: public toilets, cemeteries/crematoria and septage disposal facilities

Overall the assessment has found that the water and sanitary services adequately meet present needs and have measures in train to meet forecast future demands (refer to the full set of Conclusions in Appendix B for fuller details and to Section 8 for the Recommendations arising). This aside, there are some situations in the water supply and wastewater arena where action is required in the short/medium term, for example:

- Waster Supply Scheme Quality/Gradings: Water quality poses some issues, as exemplified by gradings being below target, mainly due to bores not meeting wellhead security standards (but FDC is in the process of rectifying this)
- Quality of Private Tank-Based Water Supplies: As appears common in many NZ communities, tank water may contain levels of contaminants exceeding the NZ Drinking Water Standards and, as a result, countermeasures need to be considered
- Wastewater Treatment Plant Consent Compliance: The assessment has found that the performance of these treatment plants is not generally able to meet the consent conditions, albeit recognising that resolution options are under review by FDC (in the case of Kingseat a new replacement plant is scheduled)
- Performance of Private On-Site Wastewater Systems: Testing has shown that systems in Pokeno, Hunua, Paerata, Kaiaua, Port Waikato and Bombay may be contaminating the environment; as a result ongoing testing is needed to quantify the public health risk and the need for countermeasures

It is concluded that FDC has meet its obligation under Section 129 of the Act to “use its best endeavours to make a full and balanced assessment”. Overall, the information available, supplemented by fieldwork

commissioned for the assessment, is considered adequate. There is, however, a notable area of uncertainty in the case of resource consents having expired for the Pukekohe and Bombay water supply systems (further, consents for Clarks Beach, Port Waikato, Buckland and Pokeno are set to expire in 2005 or 2006) and for the Waiuku wastewater treatment plant. Specifically, in the event that the conditions in these consent renewals are markedly different from those in the expired consent, the conclusions in this assessment may be affected.

2.0 BACKGROUND

2.1 Provisions of Local Government Act, 2002

Under the provisions of Part 7 of the Local Government Act 2002 (referred to hereafter as “the Act”), territorial authorities are required to prepare water and sanitary services assessments. Following input by the local Medical Officer of Health, the assessments are to then undergo community consultation.

The Act advises that these assessments are required to cover the following:

(a) Water Services (water supply, wastewater treatment/disposal and stormwater):

- Descriptions of the systems
- Risk assessment, relating to the absence of a water supply or reticulated wastewater
- Quality and quantity assessment, covering:
 - drinking water
 - wastewater discharged from reticulated sewerage or sewage treatment system
- Statement of current and estimated future demands
- Assessment of options available to meet current and future demands
- Territorial authority’s intended role, covering meeting current and future demands and proposals for any new or replacement infrastructure

(b) Sanitary Services (public toilets, cemeteries/crematoria and solid waste management¹) - generally as for water services, but:

- Not required to cover “risk assessment” or “quality and quantity assessment”)
- Statement required covering the extent to which the proposals will ensure that public health is adequately protected

¹ Not required if a waste management plan has been made under Part 31 of Local Government Act, 1974

2.2 Statutory Provisions and Guidelines

A range of statutory provisions and guidelines need to be accounted for in the context of the water and sanitary services assessments, including:

- Government Acts (eg Resource Management Act, Health Act, Building Act, Burial and Cremation Act)
- National standards (eg Building Code, Drinking Water Standards, Water Quality Standards for Recreational Use)
- Regional Council Documents (eg Statutory Plans, Strategies, Technical Guidelines)
- FDC Documents (eg District Plan, Proposed Rural Plan Change, Bylaws, Development Guidelines, Catchment Management Plans, Water Services Operation & Maintenance Contracts, Service Standards²)

2.3 The Assessment Process

Franklin District Council is the body with legal responsibility for preparing the water and sanitary services assessment in its area. The key output from the water and sanitary services assessment is a set of policies, to be adopted following public consultation on the assessment. FDC's approach involves the preparation of an eight-part "Technical Report". Against this background, the steps in the assessment process cover:

- Notification to the public and MOH of FDC's intention to undertake the assessments
- Preparation of the draft Technical Report (ie matching the pre-requisites listed in Section 2.1)
- Receiving the MOH's feedback on the draft Technical Report
- Preparation by FDC of draft policies arising from the findings of the Technical Report
- Subjecting the assessment/policies to a formal community consultation procedure
- Adoption of the policies in final form, as resolved by FDC

The approach to the assessment needs to account for the following:

- The Act requires the assessments to be done for "each community"
- The assessments are to be completed, up to the stage of policies arising from the assessments being adopted following community consultation, by June 2005
- The time horizon for assessing "future demands" is 10 years

² Defines the minimum acceptable level of Council's water services (eg callout response time for repair) – these are listed in Appendix C

2.4 Information Sources

Key information sources for the assessment include:

- Census Data:
 - 2001 Census figures
 - Meshblock maps
 - Population projections
- Water Supply, Wastewater and Stormwater:
 - Asset management plans
 - Resource consents and compliance monitoring data
 - Water supply systems: pump records and water quality tests
 - Flood occurrence map
- Sanitary Services:
 - Inventory of public toilets
 - Data on cemeteries
- Water and Natural Resources:
 - Water quality test results – tanks, bores, watercourses
 - Rainfall records
 - Water and groundwater resource assessments
 - Soils and drainage maps
- Other:
 - Communitrak Survey (ie containing public feedback on Council's services)
 - Public health statistics

2.5 Overview of Public Health Issues

A key focus of the water services assessments is the public health risk attributable to these services. So as to illustrate this, examples of the types of risks are set out in Table 1. Among the main risks is contamination of water, which in severe cases can lead to disease outbreaks.

TABLE 1 – Examples of Potential Public Health Risks with Water Services

SERVICE	ASPECT	RISK
Water	Quantity	Insufficient supply to meet basic needs
	Quality	Contamination (or inadequate treatment)
Wastewater	Capacity	Inadequate sewer and/or pump-station capacity can lead to overflows and contamination of stormwater
	Treatment	Inadequate treatment can pollute watercourses or beaches
	On-Site Systems	As well as the potential for contaminating watercourses (as above), disposal by soakage may contaminate groundwater (ie posing a risk if the groundwater is abstracted for domestic use)
Stormwater	Quantity	Major floods which inundate dwellings may pose a risk to life
	Quality	Contamination of watercourses or beaches by wastewater, etc, may pose a consequential health hazard to contact recreation users

3.0 PERSPECTIVE ON COMMUNITIES

3.1 Population Growth

As at the 2001 Census, the population of the District numbered 53,280, being an equivalent annual growth rate 1.6% from the previous 1996 Census. The populations of the three main centres in Franklin District, namely Pukekohe (14,865), Waiuku (6,860) and Tuakau (2,964) together account for 46% of the District's population.

The assessment is required to apply a 10 year time planning horizon, that is to 2015 when the population of the District is forecast to be of the order of 69,000, or an increase over the present population of about 12,300 (22%). FDC plans to meet this growth through a combination of:

- Accommodating growth in the main urban centres: Pukekohe, Waiuku and Tuakau are all expected to grow at a rate of about 1.8% through to 2015
- Growth in the smaller communities and rural areas: FDC's Proposed "Rural Plan Change" proposes a mix of measures to accommodate the growing population in these areas, including environmental lots, farm parks village countryside living zone, transferable rural lot rights and Village Structure Plan areas

3.2 Delineation of Communities

The Act requires the assessments to be done for "each community". Communities have been delineated as follows, with corresponding populations drawn from Census "meshblock" units:

- Towns: cover municipalities served by a single Council water and/or wastewater system as one community (eg Pukekohe, Tuakau, Waiuku, Clarks Beach, etc)

- Small communities: outside towns, all other settlements (ie with populations of about 100 or more) are accounted for

Table 2 lists the communities around which assessments have been based (against each, listed in parentheses is the Technical Report number in which the community is assessed). Outside these areas the assessment includes a generic coverage for "Rural Areas" (Part G).

TABLE 2 – List of Communities

Aka Aka (G)	Kingseat (E)	Port Waikato (F)
Ararimu (G)	Kohekohe (G)	Pukekawa (G)
Awhitu (G)	Mangatangi (G)	Pukekohe (B)
Big Bay / Orua East (G)	Mangatawhiri (G)	Puni (F)
Bombay (F)	Matakawau (G)	Ramarama (G)
Buckland (E)	Mauku (G)	Te Hihi (G)
Clarks Beach (E)	Mercer (G)	Te Kohanga (G)
Glenbrook Beach (E)	Onewhero (F)	Te Toro (G)
Glen Murray (G)	Orua West / Wattle Bay (G)	Tuakau (D)
Grahams Beach (G)	Otaua (G)	Waiau Beach (E)
Hudsons Beach (G)	Paerata (F)	Waikaretu (G)
Hunua (F)	Paparimu (G)	Waipipi (G)
Kaiaua (G)	Patumahoe (E)	Waiuku (C)
Karaka (G)	Pokeno (F)	Whakatiwai (G)
Kariotahi (G)	Pollock (G)	Wharekawa (G)

3 In some cases, where Census meshblock boundaries dictate, adjacent communities are grouped together

4.0 WATER SUPPLIES

4.1 Reticulated Systems

Table 3 presents details of the reticulated water supply systems in the District, as operated by FDC (13) and by Watercare Services Ltd (1).

TABLE 3 – Details of Public Water Supply Systems

SCHEME	Approx Date Built	Water Source(s)	Treatment Type 2	Pipe Length (km)	Population Served	Grading (Source/distrib) ¹	DEMAND (m ³ /d)		CONSENT		
							Peak	Av.	Peak (m ³ /d)	Av.	Expiry
Pukekohe /Paerata	1910	Spring + Bores (2)	S,T,C,F	133	15,400	C/d-e	7,375	4,600	8,000	5,200	Expired
Waiuku	1930's	Bores (3)	C	66.4	7,300	D/e	2,560	1,805	3,800	2,330	2012
Tuakau	1950's	Bores (2)	C	30.3	3,150	D/d-e	1,350	900	1,850	-	2016
Clarks Beach	1973	Bores (2)	C, pH	9.64	1,400	D/e	370	235	428	-	2005
Waiau Beach	1987	Bore	C	1.02	180	Not graded	64	37	100	55	2014
Glenbrook Beach	Not known	Bores (2)	A,C	3.97	380	D/c	78	57	220	145	2013
Patumahoe	1986	Bore	C	7.95	600	A/c	195	135	450	250	2016
Buckland	1987	Bore	C	9.8	570	D/e	200	150	250	-	2005
Onewhero	Not known	Spring	A,T,UV, pH	0.48	36	Not graded	10	5.6	NA	NA	NA
Pokeno	1970's	Spring + Bore	T,C	8.03	500	E/d	185	153	250	-	2005 + 2016
Puni	1980's	Bore	C	3.91	100	Not graded	52	23	120	55	2012
Port Waikato	New 2003/4	Dam/ Stream	S,T,C	4.54	Public facilities	Not graded	38	22	200	-	2005 + 2006
Hunua3	1970's	Dams	Nil	-	50+		-	65	NA	NA	NA
Bombay	1970's	Spring	T, pH, C	13.34	530	D/c	864	500	225	134	Expired

1: Refer Appendix D for explanation of codes

2: A = aeration, S = sedimentation, T = filtration, pH = pH correction, C = chlorination, UV = ultra-violet disinfection, F = fluoridation

3: Partial supply, operated by Watercare Services Ltd

In summary, the key assessment findings for the “present” case and the “future” case are as follows (refer to Table A1 in Appendix A for detailed scheme-by-scheme assessments covering the “present” case):

(a) Present Case:

- Overall, the schemes are generally adequate from a supply quantity versus demand perspective (albeit with some uncertainty in the case of Pukekohe where the abstraction consent has expired and will need a higher allocation if demands are to be met from the existing sources)
- Water quality poses some issues, as exemplified by gradings being below target, due to bores not meeting wellhead security standards (FDC is, however, in the process of rectifying this) and failing to maintain adequate chlorine residuals in the distribution networks

(b) Future Case:

- Main Town Supplies: Subject to the resolution of the present source issues, it is concluded that measures are generally in-hand to ensure that the water supply system will be able to meet demands through to 2015 and at the same time limit public health risks
- Other Communities: In general, the systems have adequate capacity to cater for growth in at least the short-medium term; where major growth is planned through the mechanism of a Structure Plan or subdivision consent, attention will as a matter of course be given to the adequacy of the water supply system and any need for upgrading/expansion
- As details are firmed-up, account will also need to be taken of the provisions of the new DWSNZ and Health (Drinking Water) Amendment Act, including preparation of public health risk management plans (PHRMP's), and actioning the findings

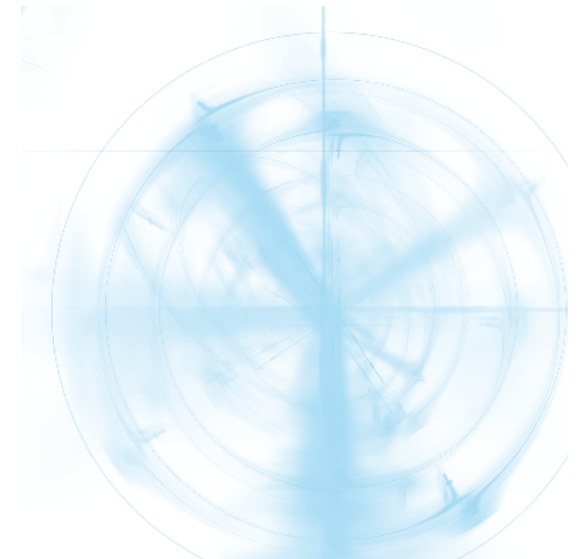
4.2 Private Water Supplies

In the communities denoted as "G" in Table 2, there are no reticulated water supplies and most domestic dwellings use roof-fed rainwater tanks or private bores. Water supplies may be supplemented in summer by tanker-delivered water and/or abstraction from streams/springs. Water consumption rates are thought to be relatively low, reflecting the conservation ethic applying in a tank-oriented supply system.

Given the moderate/high annual rainfalls (ie 1,100 – 1,375 mm over most of the District), tank-based supplies will be adequate in cases where the roof area and tank capacity match the number of occupants. However, in droughts, or where there is particularly high summer level of occupation, deficits may occur. These will typically be resolved through measures such as:

- Using supplementary water sources (eg bore, stream or tanker-delivered water)
- Practising stringent water demand reduction/conservation practices, especially in long dry summer periods (eg restricting toilet flushes, taking shorter showers, etc)
- Installing additional tank storage capacity

Although the information on roof-fed rainwater tank water quality is sparse, as appears common in many NZ communities, tank water may contain levels of contaminants exceeding the NZ Drinking Water Standards. Nevertheless, permanent residents with such supplies tend to develop a level of tolerance to contaminants, as is evidenced by the apparent absence of evidence of water-related health problems. This aside, ongoing education of and sound maintenance by dwelling occupants is recommended.



5.0 WASTEWATER

5.1 Reticulated Systems

Table 4 presents details of the nine reticulated wastewater systems operated by FDC.

TABLE 4 – Details of Reticulated Wastewater Systems

SCHEME	Approx Date	PIPEWORK		Man- holes (no)	Pump Stations (no)	No of Conn- ections	TREATMENT PLANT			
	Built	Length (km)	Type ¹				Primary / Secondary	Tertiary	Outfall	Consent Expiry
Pukekohe	1950's	100	AC	1,300	9	4,800	Ponds (3), with aerators	Wetland	Waikato River, via stream	2015
Waiuku	1970's	50	AC, PVC	923	8	2,200	Ponds (2), with aerators	Wetland	Manukau Harbour ²	Expired
Tuakau	1950's	21	AC	323	3	1,000	Treated at Pukekohe Plant (refer above)			
Clarks/ Waiau Beaches	1970's	15.1	AC, PVC	140	8 (C) + 2 (W)	500	Aerated lagoon	Rock + sand filter	Manukau Harbour, via stream	2013
Glenbrook Beach	1998	2.6	PVC	50	-	96	Treated at Clarks Beach Plant (refer above)			
Patumahoe	1980's	4.02	PVC	65	5	160	Connection to Pukekohe Plant under construction (scheduled for completion by August 2005)			
Kingseat	1980's	0.64	PVC	13	-	40	Activated sludge type "package" plant + UV disinfection		Manukau Harbour	Expired
Buckland	1995	3.6	PVC	72	-	110	Treated at Pukekohe Plant (refer above)			
Bombay ³	1988	0.41	PVC	7	-	83	Septic tank + disposal field			2014

1: Principal type (AC = asbestos cement)

2: Discharged only during first 3 hours of the outgoing tide

3: Serves former Electricity Substation dwellings; remainder of the community is served by private on-site wastewater systems (refer Section 5.2)

In summary, the key assessment findings for the "present" case and the "future" case are as follows (refer to Tables A2 and A3 in Appendix A for detailed scheme-by-scheme assessments covering the "present" case):

(a) Present Case:

- Reticulation Systems: Overall, these are assessed as broadly satisfactory (albeit subject to completion by stages of the trunk main upgrading to the treatment plant in the case of Pukekohe)
- Treatment Plants at Pukekohe, Waiuku, Clarks Beach and Kingseat): The assessment has found that the performance of these treatment plants is not generally able to meet the consent conditions, albeit recognising that resolution options are under review by FDC (in the case of Kingseat a new replacement plant is scheduled)

(b) Future Case:

- Provided that growth pressures are monitored and appropriate provisions made to accommodate the attendant reticulation and treatment systems (eg where major growth is planned through the mechanism of a Structure Plan or subdivision consent, attention will as a matter of course be given to the adequacy of the wastewater system and any need for upgrading/expansion) no particular problems are envisaged in relation to the public health risks and environmental impacts

5.2 Private On-Site Wastewater Systems

The potential sources of risk to public health from on-site wastewater disposal systems come from untreated (or partially treated) wastewater which contains high concentrations of micro-organisms, many of which may be pathogenic to humans. For the purposes of the assessment, a desk-study risk analysis was undertaken covering each of those communities listed in Table 2 with on-site wastewater systems (ie those denoted by an “F” or “G”). This accounted for the following factors which serve as a guide to the effectiveness of these systems, and their potential to cause problem-level contamination:

- Number and concentration of small-sized lots (ie under 1,000 m2, and in the range 1,000 – 2,000 m2) and soil drainage characteristics: smaller lots may not have sufficient area for disposal by soakage, especially where drainage is poor
- Reticulated water connection: results in higher water use and more effluent for the wastewater system to handle
- Proportion of new on-site wastewater systems: new systems with tertiary treatment features produce higher quality effluent and so pose a lesser contamination risk
- Seasonal occupation: if a dwelling is mainly occupied only in summer when ground soakage is better, the potential for problems is less than when occupied year-round

This analysis identified those on-site wastewater systems in the communities listed in Table 5 as having the potential to contaminate receiving waters. As a result, as part of the assessment, a programme was instigated to test receiving waters in these communities. Based on the test results to date, risk categorisations are as listed in Table 5. For those ranked “B” and “C”, further testing is recommended. In the event that serious contamination is evidenced, most likely from those in “Level C”, a review of the remedial options would then be warranted (eg improved performance through more regular inspections, introduction of a “warrant of fitness” regime, etc).

TABLE 5 - Communities Subjected to Testing - Risks from On-Site Wastewater Systems

LEVEL A	LEVEL B	LEVEL C
Low/Acceptable Risk	Further Testing Required to Quantify Risk	Elevated Risk (further testing required)
Big Bay	Pokeno	Port Waikato
Grahams Beach	Hunua	Bombay
Hudsons Beach	Paerata	
Wharekawa	Kaiaua	

From a public health perspective, the “future” situation is not likely to be markedly different from the “present” situation noted above, for the following reasons:

- Existing Systems: FDC’s Public Health staff will continue to exercise routine overview of existing systems, including responding to incidences of system failures
- New Systems:
 - growth in the subject communities will generally be modest, except where a new subdivision is proposed; in such a case the assessment-type water services issues will be dealt with in the Structure Plan and/or consenting process
 - in order to gain a consent, new on-site wastewater systems will be need to be of the modern higher-technology type, and be demonstrated to cause no-more-than- minor public health risks and/or environmental impacts

6.0 STORMWATER

6.1 Systems in Main Towns and Settlements

Table 6 presents details of the reticulated stormwater systems operated by FDC in the main towns and settlements.

TABLE 6 – Stormwater Systems in the Main Towns and Settlements

SYSTEM	PIPED NETWORK		Storage / Treatment Ponds (no)	Watercourses & Open Drains (length, km)
	Length (km)	Condition		
Pukekohe	82	Fair/good	6	83
Waiuku	35	Good	2	3.4
Tuakau	12.2	Good	4	23
Clarks Beach	5.1	Good	2	0.92
Waiau Beach	0.6	Good	-	1.87
Glenbrook Beach	1.3	Good	2	1.38
Patumahoe	2.3	Good	-	2.78
Buckland	2.1	Good	-	0.06

In summary, the key assessment findings for the “present” case and the “future” case are as follows (refer to Table A4 in Appendix A for detailed town-by-town assessments covering the “present” case):

(a) Present Case:

(i) Flooding:

- Pukekohe: Whereas the major 1996 and 1999 flood events caused considerable damage, the risks have been reduced through the expenditure of \$6.75 million over the past 5 years on upgrading works, with another \$26 million programmed arising from the recommendations of the Pukekohe North and South CMP's
- Waiuku and Tuakau: As a result of implementing most of the works recommended in the Stormwater Management Plans since 2000, the level of flood risk is now at an acceptably low level
- Other Communities: Aside from some issues in low-lying seaside locations (eg Glenbrook Beach) the level of flood hazard affecting habitable dwellings is at an acceptably low level

(ii) Incidence and Impacts of Wastewater Overflows:

- Pukekohe: Through a recent works programme, the bulk of the overflows have been rectified and as a result, the risk of serious contamination from this source is now low
- Other Communities: there are no known incidences of overflows (overflows that previously occurred

in Tuakau have either been or are in the process of being rectified)

(iii) Water Quality Control:

- Pukekohe: The construction of treatment ponds, combined with those scheduled under the Pukekohe North and South CMP's, is progressively reducing the degree of contamination
- Other Communities: Due to the relatively low density urbanisation, contamination does not represent a major problem; this aside FDC is exploring measures to treat stormwater

(iv) Quantity and Quality Control: Current developments are required to apply stormwater management controls (ie as b(ii) below)

(b) Future Case:

(i) Pukekohe: Ongoing investment by FDC in the works recommended by the Pukekohe North and South CMP's to meet the expected growth pressures will ensure that flooding and contamination risks are kept to acceptable levels

(ii) All: Subject to FDC proceeding to progressively implement, as development proceeds, the necessary quantity/quality control works, including the mandatory on-site stormwater management measures to meet FDC's rules for “hydrological neutrality”, the risks/impacts are expected to be kept to acceptable levels

6.2 Systems in Smaller Communities

In smaller communities there is generally no formal reticulated stormwater system apart from the drainage associated with the roads. Aside from communities where on-site wastewater systems may pose a contamination risk (refer Section 5.2) the assessment has found that the environmental and public health risks in these communities are judged as being no-more-than-minor. Specifically:

- Aside from some issues in low-lying seaside locations (eg Kaiaua), the level of flood hazard affecting habitable dwellings is at an acceptably low level
- Due to the relatively low density of settlement, contamination does not appear to be a problem

7.0 APPLICABILITY OF NEW TECHNOLOGIES

Under Section 129 of the Act, in evaluating future options, the Council is required to take account of the full range of “alternative technologies”. In this context, it is considered that current FDC initiatives, examples of which are listed below, adequately meet this requirement:

- Water demand reduction strategies (also serves to reduce wastewater flows):
- graduated tariff, with 25% higher unit charge above a “base” usage allowance

- programme to reduce unaccounted-for water in all FDC schemes
- requirement under the Waiuku water supply bores consent to report annually on performance against “network efficiency and water conservation strategies”
- On-site stormwater management policy for new developments/subdivisions, requiring:
 - flow attenuation: storage of the 20% AEP 10-minute storm event and discharge/soakage in 24 hours
 - water quality control
- On-site wastewater systems: requirement for use of “improved systems” giving better treatment performance for new developments (and also for existing systems which are failing):

8.0 SANITARY SERVICES

The sanitary services assessment evaluated the adequacy of public toilets, cemeteries /crematoria and septage disposal facilities (solid waste was excluded as not needed because FDC’s Waste Management Plan complies Part 31 of LGA, 1974). The assessment looked at both the existing facilities (also considering operation/maintenance arrangements) and the ability to meet future demands. Findings can be summarised as follows:

- Public Toilets: The existing facilities are of adequate quantity and quality (as are arrangements for assessing future needs); consequently, it is assessed that public health is adequately protected
- Cemeteries: FDC’s cemeteries, operated under provisions of its bylaw, have adequate capacity for at least the next ten years; provisions are therefore considered satisfactory
- Crematoria: Whilst there are no crematoria within FDC’s area, facilities in metropolitan Auckland have ample capacity to meet the demands from FDC’s area
- Septage Disposal Facilities: There is ample capacity available in the District to dispose of septage; further, a proportion of the septage is in practice disposed of outside the District

9.0 ADEQUACY AND LIMITATIONS OF THIS ASSESSMENT

Under Section 129 of the Act, the Council is required to “use its best endeavours to make a full and balanced assessment”. Pertinent observations in this context, by the Consultant responsible for preparation of the Assessment Technical Reports are as follows:

- Council’s Best Endeavours:
 - FDC engaged Consultants with prior experience in undertaking such assessments
 - FDC initiated the assessments in ample time (ie in April 2004) to allow the necessary work and with an appropriate budget allocation

- Appropriate Extent of Information:
 - Based on the actions noted above, it is evident that FDC has taken all reasonable steps to apply the necessary information and resources to the assessments
 - There are no significant instances of data important to the assessment being unavailable (ie except in the case of water quality testing in communities with high concentrations of on-site wastewater systems – this was rectified by undertaking such testing as part of the assessment exercise)
 - The main limitation on the water services assessment its present form is the exclusion of non-FDC community water supply schemes (eg Kingseat, Glenbrook, Waiau Pa and other smaller schemes); this is reflective of the difficulty expected in sourcing adequate data in the available time-frame for the assessment
- Impacts on Completeness of the Assessment:
 - Overall, the assessments are believed to be adequate for the intended purposes of identifying significant public health and environmental impacts
 - Notwithstanding the above, FDC will value the input of the MoH and Regional Council’s on the draft assessments
 - It is, however, noted that once assessments prepared by other TLA’s become available, the content and lessons from these will assist with the preparation of future assessments by FDC

10.0 RECOMMENDATIONS

10.1 Reticulated Water Supplies

- (1) Source and Distribution System Gradings – All Graded Systems⁴ and Port Waikato:
 - (a) FDC should, as a high priority, continue work to resolve issues with the water quality (especially the chlorine residuals in the distribution network) and source/distribution gradings
 - (b) As details are firmed-up, account should also be taken of the provisions of the new DWSNZ and Health (Drinking Water) Amendment Act, including preparation of PHRMP’s, and actioning the findings
- (2) Water Supply Sources - Pukekohe: Decisions as to the alternatives of (i) continuance of the bores/springs as the sole sources, or (ii) with augmentation from Watercare’s Waikato system, should be made by FDC once ARC issues new consents for the existing sources (ie at which point the viability of continuance of the bores/springs will be clarified)
- (3) Water Supply Schemes – Clarks, Waiau and Glenbrook Beaches:

⁴ Pukekohe, Waiuku, Tuakau, Clarks Beach, Waiau Beach, Glenbrook Beach, Patumahoe, Buckland, Pokeno and Bombay

- (a) Planning for the proposed supply augmentation from the Glenbrook Irrigation Scheme should continue
- (b) In the event that the supply from the Glenbrook Irrigation Scheme cannot be negotiated, FDC should explore the following options of to provide additional supply capacity to Clarks, Waiau and Glenbrook Beaches:
 - in the interim, utilising the spare capacity available in the Waiau Beach and Glenbrook Beach Schemes
 - drilling a new bore, most likely near the Glenbrook Irrigation Scheme bore (ie as flagged for 2006 in the LTCCP)

(4) Water Supply Sources – Patumahoe: Plans for the proposed new Patumahoe bore should be reviewed annually (ie as part of FDC’s AMP process) so that its implementation matches the forecast demands from development in the Patumahoe Structure Plan Area

(5) Future Plans for Water Supply System – Buckland:

- (a) In the short-medium term, the existing sources should be retained; in the process, attention will need to be devoted to renewing the bore consent in May 2005
- (b) In preparing the next AMP, consideration needs to be given to options to expand the source capacity to meet forecast growth

(6) Water Supply Sources – Pokeno:

- (a) In the short-medium term, the existing sources should be retained; in the process, attention will need to be devoted to renewing the spring consent in March 2005
- (b) At the time of preparing the Village Structure Plan, or by May 2007 (ie whichever is sooner), the adequacy of the existing sources should be reviewed and, if necessary new or additional sources identified for implementation

(7) Future Plans for Water Supply System - Port Waikato:

- (a) FDC should resolve with ADHB/MoH whether the scheme is to be graded
- (b) Attention will need to be devoted to renewing the dam and abstraction consents in November 2005 and September 2006 respectively
- (c) Subject to being able to renew the consents, and the treatment plant performance matching expectations, FDC should review whether to allow new connections

(8) Watercare Supply to Hunua - Potential Public Health Risk: FDC should facilitate education of customers that the Watercare supply should be regarded as non-potable

Current Status: Watercare has advised customers to this effect

Proposed Ongoing Action: No further action (ie Watercare’s advice is considered sufficient)

(9) Water Supply Source – Bombay: Due to the lack of protozoa compliance in treatment of the existing spring water source, FDC should continue to exploring changing to a bore water source

10.2 Private Water Supplies

(10) Tank Water Quality: Due to evidence of non-compliant systems, FDC should:

- (a) Instigate ongoing education of and sound maintenance by dwelling occupants is recommended to improve water quality

Current Status: No action taken

Proposed Ongoing Action: On FDC’s website, include links to suitable material by others

(b) Review new water quality control technologies as they become available and, where appropriate, consider recommending their implementation for new developments

Current Status: No substantive action taken

Proposed Ongoing Action: FDC EHO’s to keep watching brief

10.3 Reticulated Wastewater Systems

(11) Wastewater Reticulation Systems – All: FDC should continue to closely monitor growth trends and plan and implement wastewater system capacity upgrades to meet the forecast needs, paying attention to the avoidance of overflows

(12) Wastewater Treatment Plants - Pukekohe, Waiuku and Clarks Beach: Current issues with the performance of the plant in respect to its resource consent conditions should be resolved as a matter of priority (where applicable, via plant upgrading, as allowed for in the LTCCP financial allocation) and forward planning applied to ensure that the plant has capacity in-place as needed to meet forecast growth and which also ensures that consent compliance meets FDC’s service level targets

(13) Replacement of Wastewater Treatment Plant – Kingseat: Implementation of the proposed new wastewater treatment plant, incorporating adequate capacity to meet forecast growth, should proceed in accordance with FDC’s planned 2005 time-frame

10.4 Private On-Site Wastewater Systems

(14) Ongoing Testing of Watercourses for Potential Contamination by Wastewater: For “Level B” communities (ie Pokeno, Hunua, Paerata and Kaiaua) and “Level C” communities (ie Port Waikato, Paerata and Bombay): Given the incidences of high E. Coli values in tests to date, FDC should

conduct ongoing testing over a full 12 months to establish a large enough database to allow robust conclusions as to risk to be drawn (further, special testing should be done to distinguish between contamination from on-site systems and that of animal origin)

Current Status: *Follow-on water quality testing was undertaken in 2006: results were found to be broadly consistent with the data gathered for the Assessment*

Proposed Ongoing Action: *Rely on FDC EHO's vigilance on wastewater risks in the subject communities (further testing is not justified because it is unlikely to provide additional insight)*

(15) FDC Policy:

- (a) To avoid a public health risk, FDC should develop a procedure for the monitoring and evaluation of wastewater systems in communities where bacteriological testing indicates there is a problem or where there is a significant incidence of failing on-site wastewater systems

Current Status: *No substantive action taken (ie awaiting MfE's National Environmental Standard on this topic – note 3)*

Proposed Ongoing Action: *Reconsider need for policy once implications are known from MfE's National Environmental Standard*

- (b) Where they meet the criteria in (a), the policy should be applied to the communities listed in Recommendation 14

Current Status: *Not applicable (ie subject to first actioning (4a) above)*

Proposed Ongoing Action: *Not applicable*

- (16) Ongoing Freshwater/Beachwater Testing Programme: To monitor the incidence of potential contamination, FDC should review, on an annual basis, the appropriate freshwater/beachwater sampling programme needs throughout the District

Current Status: *Being done annually (to date, no changes to the programme have been seen as necessary)*

Proposed Ongoing Action: *Continue*

10.5 Stormwater

- (17) All: At any locations experiencing frequent wastewater overflows, the receiving waters should be tested to quantify the impacts
- (18) Pukekohe: FDC should continue to progressively implement the flood and water quality control works recommended in the South and North CMP's, including elements designed to match growth

pressures

- (19) Waiuku and Tuakau: FDC should continue to progressively implement flood and water quality control works, including elements designed to match growth pressures

10.6 Sanitary Services

(No recommendations – no issues arising)

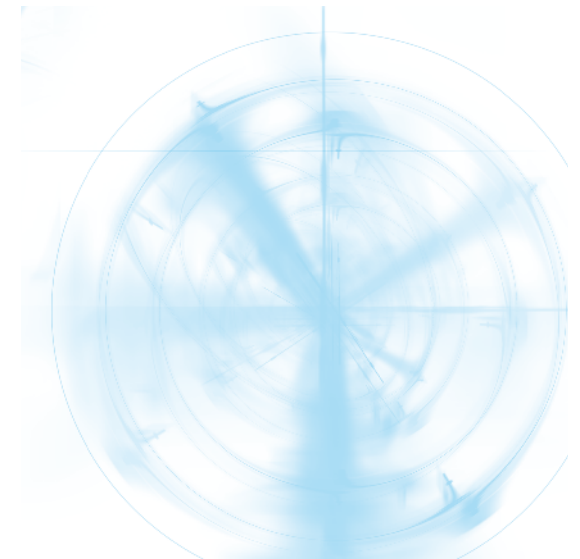
10.7 Council's Role

- (20) No change is proposed in FDC's present role of providing reticulated water services, (ie water supply, wastewater and stormwater), both where these presently exist and to other communities as may be decided based on the findings of a Structure Plan study
- (21) No change is proposed in FDC's present role of providing sanitary services, namely public toilets and cemeteries

DHI Water & Environment Ltd

Version 2c: 27/01/05

1065_Xsum_02c.doc



SCHEME-BY-SCHEME PUBLIC HEALTH RISK ASSESSMENTS "PRESENT" CASE

TABLE A1 – Public Health Risk Assessment – Main Towns Water Supply Systems

SCHEME	RISK CATEGORY				
	Headworks Capacity	QUANTITY Treatment Capacity	Distribution Capacity/ Pressure	QUALITY Gradings (to DWSNZ 2000)	PHRMP
Pukekohe/ Paerata	Adequate (awaits new ARC consent)	Adequate (upgrading scheduled)	Adequate	Not adequate (4)	Actions in process to implement
Waiuku	Adequate	Adequate	Adequate	Not adequate (4)	Actions in process to implement
Tuakau	Adequate	Adequate	Adequate (2)	Not adequate (4)	NA
Clarks Beach	Adequate (1)		Adequate (2)	Not adequate (4)	NA
Waiau Beach	Adequate (1)	Adequate	Adequate (3)	Not graded (5)	NA
Glenbrook Beach	Adequate (1)	Adequate	Adequate (3)	Not adequate (4)	NA
Patumahoe	Adequate (awaits new ARC consent)	Adequate	Adequate (1)	Adequate	NA
Buckland	Adequate	Adequate	Adequate (3)	Not adequate (4)	NA
Onewhero	Adequate	Adequate	Adequate (3)	Not graded (5)	NA
Pokeno	Adequate	Adequate	Adequate (2)	Not adequate (4)	NA
Puni	Adequate	Adequate	Adequate (3)	Not graded (5)	NA
Port Waikato	Adequate	Adequate	Adequate (3)	Not graded (5)	NA
Hunua	Adequate	Adequate	Adequate	Watercare raw water supply – should be regarded as non-potable	NA
Bombay	Adequate (awaits new ARC consent)	Adequate	Adequate (3)	Not adequate – replacement by bore source under consideration	NA

1: Interconnection of Clarks/Waiau/ Glenbrook Beach schemes in 2005 will boost capacity

2: Adequate for user needs, but firefighting standards not meet in some areas

3: Not required to meet firefighting standard

4: Improvements in process (already completed in the case of Clarks Beach and awaiting compliance certification)

5: Schemes serving populations under 500 are not graded

NA: Not applicable (PHRMP not yet prepared)

TABLE A2 - Public Health Risk Assessment – Wastewater Systems with Treatment Plants

SCHEME	RISK CATEGORY			
	QUANTITY		QUALITY	
	Reticulation Capacity	Treatment Capacity	Treatment Plant Consent Compliance	Overflows
Pukekohe	Adequate (upgrading of trunk main to treatment plant under construction, in stages)	Adequate (but refer to next column)	Unsatisfactory, despite operating about as well as it can in its present form: upgrading required (a financial allocation in the LTCCP for 2006-07 covers this)	Refer Table 10 for incidence and impacts
Waiuku	Adequate	Adequate (but refer to next column)	Unsatisfactory, despite operating about as well as it can in its present form: resolution options under discussion with ARC as part of the consent renewal process	No known incidences
Clarks/ Waiau Beaches	Adequate	Adequate (but refer to next column)	Unsatisfactory: upgrading required (a financial allocation in the LTCCP for 2007 covers this)	No known incidences
Kingseat	Adequate	Adequate (but refer to next column)	Unsatisfactory – new replacement plant scheduled for 2005	No known incidences

TABLE A3 - Public Health Risk Assessment*– Wastewater Systems without Treatment Plants

SCHEME	Treatment	ADEQUACY OF RETICULATION CAPACITY
	Plant	
Tuakau	Pukekohe	Adequate (note: new interceptor planned for 2005-07)
Patumahoe	Pukekohe (1)	Adequate
Buckland	Pukekohe	Adequate
Glenbrook Beach	Clarks Beach	Adequate

1: Connection under construction and scheduled for completion in August 2005

* Overflows: Refer Table 10 for incidence and impacts

Table A4 – Public Health Risk Assessment – Stormwater in the Main Towns

TOWN	RISK CATEGORY			
	FLOOD HAZARD		STORMWATER QUALITY	
	Level of Risk	Hazard-mitigation*	Wastewater Overflows	Other Contaminants
Pukekohe	Moderate	Works underway or planned to rectify	Low incidence and impacts: works completed or underway /planned to rectify problem areas	Measures underway or planned to intercept (eg ponds)
Waiuku	Expected to be largely resolved by recent works and new works in LTCCP	Not required	Not applicable (ie no known incidences)	Various measures proposed or under investigation
Tuakau	Largely resolved by the upgrading works under the “Mainstreet 2000” project	Not required	Not applicable (ie no known incidences following recent works)	Riparian zone planting possibilities under review

* Also, on-site stormwater management devices to control runoff quantity/quality are mandatory for new developments

CONSOLIDATED CONCLUSIONS FROM PARTS A TO H

1.0 GROWTH IN THE MAIN TOWNS

- (1) Pukekohe's population, currently about 15,800, is expected to grow by about 3,350 or 21% over the period 2004 – 2015. The adopted Pukekohe Town Plan concludes that this growth can be accommodated within the existing residential-zoned land, including the newly re-zoned Pukekohe North-East Structure Plan land.
- (2) Waiuku's population, currently about 7,300, is expected to grow at a rate of about 1.8% pa, to reach 8,930 by 2015. The adopted "Project Waiuku" Plan concludes that this growth can be accommodated within urban and rural residential-zoned land, provided that modest expansions to the existing zoned areas are made
- (3) Tuakau's population, currently about 3,150, is expected to grow at about 1.8% pa to reach 3,850 by the year 2015. The adopted "Tuakau Town Plan" concludes that this growth can be accommodated within the existing residential-zoned land

2.0 WATER SUPPLIES

2.1 Reticulated Systems

2.1.1 Present Situation

- (4) All: The assessment has found issues with meeting water quality standards, especially chlorine residuals
- (5) All, except Patumahoe and ungraded supplies: The assessment found issues with the bores and/or springs failing to meet the target MoH gradings, but rectification is under action by FDC
- (6) All, except Pukekohe: There is an adequate supply capacity margin over the demand in at least the short/medium term
- (7) Pukekohe: The assessment has found issues with the ability of the system to cater for growth is dependent on the outcome of a consent renewal for the existing spring/bore system in process by ARC
- (8) Hunua: There is a potential public health risk with Watercare supply of untreated water to 17 connections in Hunua

2.1.2 Future Situation

- (9) Pukekohe, Waiuku and Tuakau: Subject to the resolution of the present source issues, it is concluded that measures are generally in-hand to ensure that the water supply system will be able to meet demands through to 2015 and at the same time limit public health risks to an adequate level
- (10) All Other Communities: In general the systems have adequate capacity to cater for growth in at least the short-medium term; where major growth is planned through the mechanism of a Structure Plan or subdivision consent, attention will as a matter of course be given to the adequacy of the water supply system and any need for upgrading/expansion

2.2 Private Water Supplies

- (11) Present Situation: As appears common in many NZ communities, tank water may contain levels of contaminants exceeding the NZ Drinking Water Standards, but there is no evidence of this causing above-average incidence of water-related health problems
- (12) Future Situation: Supplies for new dwellings will most likely be as used by existing dwellings (ie predominantly roof-fed rainwater tanks) and so the assessment findings will be essentially as for the "present" situation

3.0 WASTEWATER

3.1 Reticulated Systems

3.1.1 Present Situation

- (a) Reticulation – All:
 - (13) The reticulation systems are assessed as broadly satisfactory (albeit subject to completion by stages of the trunk main upgrading to the treatment plant in the case of Pukekohe)
- (b) Treatment Plants:
 - (14) Pukekohe, Waiuku and Clarks Beach: The assessment has found that the performance of the treatment plants is not generally able to meet the consent conditions (albeit with resolution options under discussion with ARC as part of the consent renewal process in the case Waiuku)

(15) Patumahoe: The existing treatment and disposal arrangements are being discontinued with connection to the Pukekohe treatment plant (currently under construction and scheduled for completion in August 2005)

(16) Kingseat: The existing treatment plant is scheduled for replacement

3.1.2 Future Situation

(17) Provided that growth pressures are monitored and appropriate provisions made to accommodate the attendant reticulation and treatment systems (eg where major growth in planned through the mechanism of a Structure Plan or subdivision consent, attention will as a matter of course be given to the adequacy of the wastewater system and any need for upgrading/expansion) no particular problems are envisaged in relation to the public health risks and environmental impacts

3.2 Private On-Site Wastewater Systems

(18) Present Situation: Based on an initial “risk screening” exercise and the water quality testing of drains/watercourses in those communities identified as potentially at risk, most were assessed as relatively low risk. Those with higher risks underwent a testing exercise, which evidenced potential contamination of watercourses by such systems in some communities; as a result, some warrant ongoing testing to confirm this (ie Pokeno, Hunua, Paerata, Port Waikato, Bombay and Kaiarau)

(19) Future Situation: In order to gain the requisite consents, new on-site wastewater systems will be need to be of the modern higher-technology type, and be demonstrated to cause no-more-than-minor public health risks and/or environmental impacts; further, with any large-scale development, the wastewater issue will need to be dealt with under the Structure Plan and/or subdivision consent process

4.0 STORMWATER

4.1 Present Situation

(20) Pukekohe:

(a) Flooding: Whereas the major 1996 and 1999 flood events caused considerable damage, the risks have been reduced through the expenditure of \$6.75 million over the past 5 years on upgrading works, with another \$26 million programmed arising from the recommendations of the Pukekohe North and South CMP's

(b) Potential for Contamination by Wastewater Overflows: Through a recent works programme, the bulk of the overflows have been rectified and as a result, the risk of serious contamination from this source is now considered to be low

(c) Water Quality Control: The construction of treatment ponds, combined with those scheduled under the Pukekohe North and South CMP's, is progressively reducing the degree of contamination

(d) Quantity /Quality Control: Current developments are required to apply stormwater management controls (ie as per Conclusion 24)

(21) Waiuku and Tuakau:

(a) Flooding: As a result of implementing most of the works recommended in the Stormwater Management Plans since 2000, the level of flood risk is now at an acceptably low level

(b) Potential for Contamination by Wastewater Overflows: Computer-based modelling, corroborated by local knowledge/observation, indicates no evidence of overflows (in Tuakau's case, through a recent works programme, the bulk of the overflows have been rectified and as a result the risk of contamination from this source is now low)

(c) Water Quality Control: Due to the relatively low density urbanisation, contamination does not represent a major problem; this aside FDC is exploring measures to treat stormwater

(22) Smaller Communities: The assessment has found that, overall, the environmental and public health risks of flooding and stormwater contamination are judged as being no-more-than-minor in the subject communities, with the exception of some beach communities where localised low-lying areas are subject to flooding

4.2 Future Situation

(23) Pukekohe: Ongoing investment by FDC in the works recommended by the Pukekohe North and South CMP's to meet the expected growth pressures will ensure that flooding and contamination risks are kept to acceptable levels

(24) All: Subject to FDC proceeding to progressively implement, as development proceeds, the necessary quantity/quality control works, including the mandatory on-site stormwater management measures to meet FDC's rules for “hydrological neutrality”, the risks/impacts are expected to be kept to acceptable levels

5.0 SANITARY FACILITIES

(25) Public Toilets: The existing facilities are of adequate quantity and quality (as are arrangements for assessing future needs); consequently, it is assessed that public health is adequately protected

(26) Cemeteries: FDC's cemeteries, operated under provisions of its bylaw, have adequate capacity for at least the next ten years; provisions are therefore considered satisfactory

(27) Crematoria: Whilst there are no crematoria in within FDC's area, facilities in metropolitan Auckland

have ample capacity to meet the demands from FDC's area

(28) Septage Disposal Facilities: Analysis shows that there is ample capacity available in the District to dispose of septage; further, a proportion of the septage is in practice disposed of outside the District

(29) Solid Waste Management: Because FDC's Waste Management Plan complies Part 31 of LGA 1974, it does not need to be addressed by this assessment

6.0 APPLICABILITY OF NEW TECHNOLOGIES

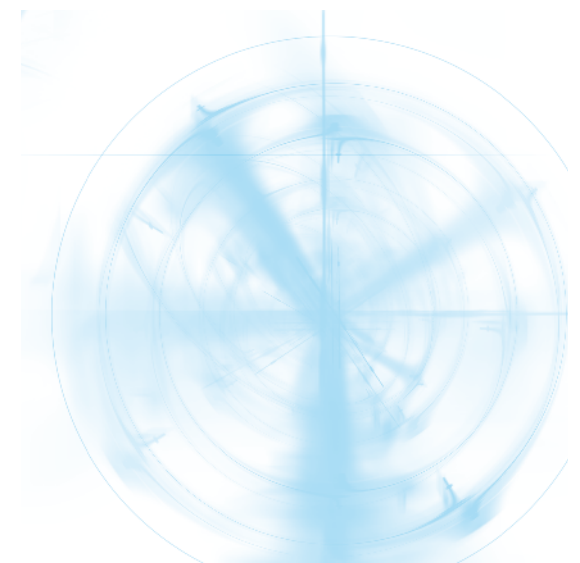
(30) It is considered that current FDC initiatives, examples of which are listed below, adequately meet the requirement under Section 129 of the Act to take account of the full range of "alternative technologies" in evaluating future options:

- water demand reduction strategies (eg graduated tariff, unaccounted-for water reduction programme)
- on-site stormwater management policy for new developments/subdivisions
- on-site wastewater systems: requirement for use of "improved systems" ·

7.0 ADEQUACY AND LIMITATIONS OF THIS ASSESSMENT

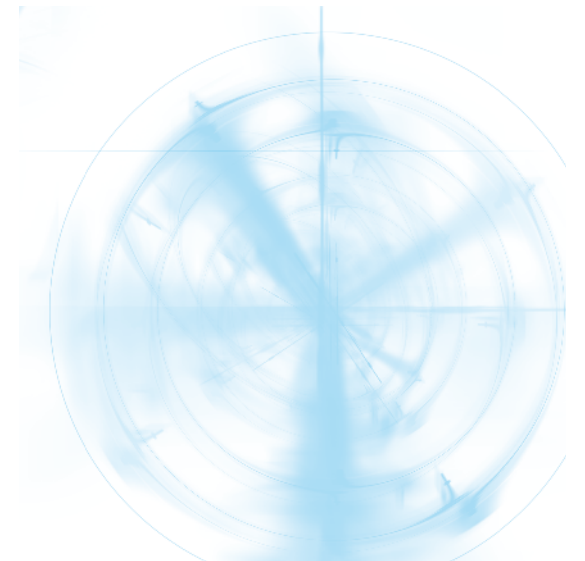
(31) It is considered that FDC has met reasonable expectations to comply with Section 129 of the Act under which the Council is required to "use its best endeavours to make a full and balanced assessment". In summary:

- (a) FDC engaged Consultants with prior experience in undertaking such assessments and initiated the work in ample time to allow the necessary work, and with an appropriate budget allocation
- (b) There are no significant instances of data important to the assessment being unavailable; the main limitation on the water services assessment its present form is the exclusion of non-FDC community water supply schemes (eg Kingseat, Glenbrook, Waiau Pa and other smaller schemes) - this is reflective of the difficulty expected in sourcing adequate data in the available time-frame for the assessment
- (c) Overall, the assessments are believed to be adequate for the intended purposes of identifying significant public health and environmental impacts



FDC'S LEVEL OF SERVICE STATEMENTS FOR WATER SERVICES

Amended Level of Services updated for 2009 -19 LTCCP and Performance Measures can be found in the respective activity plans



EXPLANATION OF WATER SUPPLY SYSTEM GRADINGS

MOH's "Public Health Grading of Drinking-Water Supplies" (2003) sets out the basis for grading community water supplies. The purpose of the grading is "to provide a public statement of the extent to which a community drinking-water supply achieves, and can ensure, a consistently safe, wholesome, product". This is determined by the extent to which a community drinking-water supply conforms with the NZ Drinking Water Standards (DWSNZ, 2000) and whether adequate barriers to potential contamination are in place to minimise risk to public health. In turn, the grading is a measure of confidence that a drinking-water supply system will not become contaminated, rather than an absolute indication of quality at a specific time.

Water supply schemes serving populations under 500 are not graded.

Separate gradings apply to the source and its treatment (grade in upper case) and the distribution system (by supply zone - grade in lower case). Table C1 lists the gradings and also the "minimum acceptable gradings".

TABLE C1 - Source/Treatment and Distribution System Gradings

SOURCE/TREATMENT GRADINGS		DISTRIBUTION SYSTEM GRADINGS	
A1	Completely satisfactory, negligible level of risk, demonstrably high quality	a1	Completely satisfactory, negligible level of risk, demonstrably high quality
A	Completely satisfactory, extremely low level of risk	a	Completely satisfactory, extremely low level of risk
B	Satisfactory, very low level of risk when the water leaves the treatment plant	b	Satisfactory, very low level of risk
C	Marginally satisfactory, low level of microbiological risk when the water leaves the treatment plant, but may not be satisfactory chemically.	c	Marginally satisfactory, moderate level of risk
D	Unsatisfactory level of risk	d	Unsatisfactory level of risk
E	Unacceptable level of risk	e	Unacceptable level of risk

MINIMUM ACCEPTABLE GRADINGS		
Population Served	Source/Treatment	Distribution System
Greater than 10,000	B	a
From 5,001 to 10,000	B	b
5000 or less	C	c

Gradings are derived through the application of a "scoring type" system, based on responses to a series of questions, as evaluated by Drinking Water Assessors from a District Health Board. More specifically:

- Source and Treatment:
 - There are 4 source questions and 7 treatment questions that are accounted for in deriving the grading
 - The grading depends on the number of responses that are assessed as "meeting the criterion"
 - Different systems apply to:
 - o "secure" groundwater sources, and
 - o surface sources or non-secure groundwater
 - Distribution System: Grades are allocated according to the number of "demerit" points from responses to 11 questions

As part of the grading exercise, "Priority 2 chemical determinands"⁵ may be stipulated for a supply, reflecting concern that levels in a particular supply may exceed half the maximum allowable value (MAV) and so pose a risk to human health. The local authority is then required to test regularly for that chemical in the supply to confirm that it remains below the MAV. The Priority 2 determinand monitoring requirement will be removed if/when concentrations measured remain less than half the MAV (maximum acceptable values) for 12 consecutive months, and the MoH is satisfied that the risk is not significant.

⁵"Priority 1 determinands" are those that have to be measured for every water supply