

Council Policies

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Significance Policy

Objective

To ensure that the community of Kaikoura is fully consulted and able to actively participate in the consideration of issues, proposals, decisions or other matters which are significant, and/or which involve the community's strategic assets.

The following policy sets out the general approach the Kaikoura District Council will take to determine the significance of any issues, proposals, decisions and other matters, and what it will use to assess whether the matters are deemed to be significant as required by Section 90 of the Local Government Act 2002.

As set out in the Local Government Act 2002, significance means:

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,—

- (a) *the current and future social, economic, environmental, or cultural well-being of the district or region;*
- (b) *any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;*

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

And significant means:

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.

Strategic Asset means:

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

- (a) *any asset or group of assets listed in accordance with section 90(2) by the local authority; and*
- (b) *any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and*
- (c) *any equities 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*

Part 1: General approach to determine which proposals and decisions are significant (s.90(1)(a)).

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

- The consequences or impacts of the proposal and decision affects a large number of residents and ratepayers; and
- The consequences or impacts of the proposal and decision affects the social, economic, environmental and cultural well-being of the district; and
- The issue, asset, or other matters have a history of generating wide public interest within the Kaikoura District or New Zealand generally.

Part 2: Thresholds, criteria & processes to determine which proposals and decisions are significant (s.90(1)(b)).

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

Thresholds:

- Issues, proposals, or other matters that will incur more than 7.5% of total budgeted expenditure and have not been provided for in the Annual Plan or Long-Term Council Community Plan;

- Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as a whole as defined by the Act or listed in this policy;
- Any other matter which Council considers to be significant;

Criteria:

- The extent to which there is, or is likely to be, a change in the capacity of the Council to carry out, or the cost to the Council in carrying out, any activity identified in the Annual Plan or Long-Term Council Community Plan.
- The extent to which there is, or is likely to be, a change in the level of service in carrying out any significant activity.
- Kaikoura District Council owns a number of assets and groups of assets that it considers to be strategic, however not all trading decisions made regarding these assets are regarded as significant nor do they effect the assets strategic nature. For example the roading network is strategic, but small parcels of land that make it up may not be, and the purchase or sale of such small pieces of land may not amount to significant decisions.

Procedures:

- The Kaikoura District Council will determine the significance of any issue requiring a decision, by making judgements according to the likely impact of that decision on the social, economic, environmental, and cultural well-being of the district, both now and in the future.
- The Kaikoura District Council will then determine
 - a) the degree of significance, and
 - b) the appropriate level and type of consultation

Part 3: Council has identified the following strategic assets and groups of strategic assets (s.90(2))

The assets and groups of assets in terms of s.90(2) that Kaikoura District Council considers to be strategic are:

- The Kaikoura district roading network as a whole;
- The land and buildings comprising the council offices and memorial hall;
- Kaikoura district library collection as a whole;
- South Bay harbour facility, new wharf and old wharf;
- reserves designated under the Reserves Act;
- Kaikoura landfill;
- Kaikoura Enhancement Trust;
- Innovative Waste Kaikoura Ltd,
- Kaikoura Community Facilities Charitable Trust,
- Kaikoura cemetery;
- Kaikoura airport;
- Public toilet facilities;
- Drill hall;
- Lions swimming pool;
- Community sports & recreation facilities
- Water treatment, storage and reticulation networks as a whole;
- Kaikoura sewerage and stormwater networks as a whole;
- Affordable housing;
- Housing for the elderly; and
- Councils forestry investments

Part 4: Other statutory provisions

The following do not form part of the Council's policy on significance, however they are a range of the sort of other matters which are listed in the Act which require various levels of statutory consultation:

- Establishing a council controlled organisation [s.56];
- Adoption review or amendment of any bylaw [s.86];
- Any proposal for an alteration in the mode by which a significant activity is undertaken by or on behalf of the Council [88(1)];
- Adoption of the Council's Long Term Council Community Plan [s.93(2)];
- Alteration to the Council's Long Term Council Community Plan [s.93(5)];
- Adoption of the Council's Annual Plan [s.95(2)];
- Adoption or amendment of the Council's policy on significance [s.90(4) and s.103-s.108];
- Adoption or amendment of the Council's funding and financial policies [s.102(4)];
- Assessment of the Council's water and other sanitary services [s.125];
- Entry into a partnership or joint venture for the provision of water services [s.137]; and,
- Disposal of a park [s.138].

Partnerships Policy

Objective

To enable council to enter into partnerships with the private sector, and to set the framework for such a partnership.

The essential purpose of Public Private Partnerships (PPP) is the substitution of private management expertise and funds for those of the public sector in the provision of services normally provided by governments. This makes it different from outright privatisation, which involves the complete transfer of an asset and the services associated with it to the private sector.

The Kaikoura District Council may consider 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, based on cost, time and financial arrangements than traditional delivery methods.

Commitment of Resources

Council will consider the following commitment of resources:

- a) Grants, where the assessed benefit to the community justifies, where the PPP is accorded priority by Council, and funds are available for the activity;
- b) Loans, where the benefit to the community is significant, but it is assessed that income or other funding can in time be accessed,

and/or there will also be significant benefits to the private partner and/or it is otherwise unsuitable to provide other funding;

- c) Investments, where there are deemed to be significant public benefits, and the community has been consulted, either during an LTCCP or Annual Plan consultation or separately using the special consultative procedure;
- d) Acting as a guarantor for assets being constructed on Council-owned land;
- e) Acting as a guarantor in extraordinary circumstances may be considered by Council following community consultation, and where there are appropriate safeguards in place to ensure budgets are not exceeded and where limitations are specified as to the total amount Council is guarantor for.

Criteria

Council will consider partnerships with the private sector for any or all of the following reasons, where;

- a) A need has been defined in measurable output terms;
- b) Outcomes for the community, measured in cost, quality and timeliness, exceed any other provision;
- c) The partnership is structured to optimise risk allocation in order to generate incentives for cost effective, high quality services;
- d) There is an identifiable market of bidders prepared to compete for the opportunity to undertake the project;

- e) There is scope for the private sector to demonstrate particular skills and/or innovative capacity, and/or access to capital;
- f) The project size justifies the transaction and ongoing management costs.

Consultation

Where Council is considering a partnership with the private sector and the partnership is likely to significantly affect service levels or is deemed to be of significance in terms of Council's significance policy, it will undertake appropriate consultation with the community using the special consultative procedure. Where possible, this consultation will be undertaken through the annual plan or long term Council community plan process.

Conditions

Any Public Private Sector partnership will be subject to the following conditions before Council will agree to the provision of funding or other resources:

- a) Depending on the project, private participation may be subject to competitive tendering processes, with an emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentially where appropriate;
- b) Any proposed partnership will be assessed against the public interest in terms of effectiveness, accountability, and transparency.
- c) The conduct of the Kaikoura District Council should always be such that confidence in the probity of the partnership model and the way it is implemented is able to be maintained at all times.

- d) Outputs will be clearly specified including measurable performance standards;
- e) Payments will only be made upon delivery of the specified services to the required standards;
- f) The partnership will be a relatively long term commitment, with the term depending on the nature of the project;
- g) All private sector parties will be fully accountable to the Kaikoura District Council for the delivery of the specified project and/or services;
- h) Risk allocation between the partners being clear and enforceable, with consequential financial outcomes;
- i) The Kaikoura District Council's responsibilities for the monitoring of outcomes will be clearly articulated; and
- j) Mechanisms for delivering ongoing value for money will be included.

Risk Identification, Allocation and Management

Council will assess and manage the risks associated with a public private sector partnership by:

- a) The major principle governing risk will be a risk transfer regime where risk will be transferred to whoever is best able to manage it taking into account public interest considerations;
- b) Whoever is allocated risk must have the freedom to choose how to handle and minimise any risk, with materiality being considered; and

- c) Where the Kaikoura District Council is not the only user of an asset, demand (or volume/usage) risk may also be transferred.

Monitoring and Reporting

Council will monitor and report on a public private sector partnership by:

- a) Being transparent and disclosing the processes and outcomes of any proposed partnership.
- b) Progress on partnership contracts will be monitored and reported in accordance with the Kaikoura District Council financial and programme reporting regime; and
- c) Community outcomes will be assessed and monitored as required under the LGA 2002 annual report requirements.

Liability Management Policy

Objective

To ensure that all current and term liabilities of the Kaikoura district council are managed prudently and effectively.

Current Liabilities

Current Liabilities are those liabilities that will be repaid in a short period of time, not exceeding 12 months, and include accounts payable, cash advance facilities, and other short-term liabilities. For the purposes of this section of the policy, the current portion of term liabilities do not apply, these are to be considered as term liabilities.

Accounts payable are to be paid in full by the due date wherever possible. Those current liabilities that incur a late payment penalty are to be paid in full by the due date in all cases.

Term Liabilities

Term Liabilities are those liabilities that are for a term exceeding 12 months, and include Council borrowings, and liabilities associated with the Marlborough Regional Forestry joint venture.

Interest Rate Exposure

The interest rate exposure table below is Council's guideline for interest rate exposure. This table does not incorporate the liabilities associated with the Marlborough Regional Forestry joint venture.

Term of exposure	Proportion of Debt
0 - 1 year	20% - 27%
1 - 2 years	20% - 27%
2 - 3 years	20% - 27%
3 - 4 years	20% - 27%
4 years +	0% - 20%

Liquidity

Council will maintain a liquidity ratio of a minimum of 1.1:1 at all times, subject to the liquidity ratio excluding the current portion of sinking funds and the current portion of term liabilities.

- the use of overdraft facilities is to be budgeted for to meet operating expenses
- Council delegate responsibility for establishing short term debt and overdraft facilities to the Chief Executive Officer.

Credit Exposure

The mix of agencies and financial limits as set out below is to be used by Council to manage its credit exposure.

Approved Counter Party Credit Limits	Limits (percentage of total Investment Portfolio)
1. Government	Unlimited
Banks with AA or better long term rating. These include, but are not limited to BNZ, ASB, NB, ANZ, Westpac Trust, and Countrywide.	Up to 100% subject to not more than \$1 million with one issue
Other entities with AA- or better long term rating. These include but are not limited to: <ul style="list-style-type: none"> ■ Auckland City Council ■ Dunedin City Treasury Ltd ■ Electricity Corp ■ Telecom Corp ■ Auckland Regional Council ■ Christchurch City Council 	Up to 50% but no more than \$50,000 with any single issuer

Debt Repayment

Council will not use internal loans to pay external debt nor will it use special funds to repay debt unless the fund has been established specifically for that purpose.

Council will ensure that either a sinking fund is established to repay specific borrowing or it will repay debt from general funds subject to going through the special consultative process.

Borrowing Limits

Council's external borrowing limit for term debt will be set at the following limits:

- the gross interest expense of all external term borrowing's will not exceed 20% of annual rates revenue, or
- the gross interest expense of all external term borrowing's will not exceed 15% of total revenues

Security

Council will not pledge assets as security. Council has in place a Cash Advance and Term Borrowing facility secured by negative pledge.

Investment Policy

Objective

To ensure that the Council's investments are managed prudently and effectively, thereby optimising value and return.

Kaikoura District Council's investment portfolio consists of short, medium and long term investments, and these must be optimised to provide sufficient funds for planned expenditure including Council's ability to meet its payments as they fall due. Investments must therefore be chosen which -

- are for the period of time that the funds are surplus
- are able to be liquidated for the right price at the appropriate time
- provide a spread of investments covering short, medium and long term

Value and Mix of Investments

In order to optimise Council's investment portfolio, and maintain an appropriate mix of short, medium and long-term investments, investments shall be kept at the following levels –

- A minimum of \$250,000 of its investment on short-term money market or fixed interest securities of not more than 30 days.

- Investment in forestry assets, including Marlborough Regional Forestry joint venture, should not exceed 75% of the total investment portfolio where practicable.

Council's investments shall include (but not be limited to) at least three of the following;

- Treasury Investments
- Property Investments
- Forestry Investments
- Equity Investments

Acquisition of New Investments

All proposed acquisition of new investments decisions are to be approved by Council, with the exception of treasury investments, which are managed on a day-to-day basis by the Chief Executive Officer and the Finance Manager.

Use of Revenue from Investments

Income generated from investment should be used initially to offset costs associated with owning and operating that investment. The use of surplus revenues will then be used according to:

- a) the source and criteria attached to the initial investment sum, or the criteria attached to the fund from which the investment fund came, or
- b) in accordance with any resolution of Council, or
- c) for general operating revenue.

On maturity, investments held for a specific purpose will only be used for that purpose or reinvested for a further period. The capital portion of any investment will not be used to offset general operating expenditure unless the purpose for which the investment was initially set up no longer exists.

Proceeds from Sale of Assets

Council assets will be disposed of from time to time. Income received from the disposal of vehicles and operating plant will be credited to Council's plant renewal account while income from the disposal of property will go into Council's property account. The capital from these accounts will either be reinvested in a separate account for this special purpose or used to purchase other assets required toward the realisation of Council's strategic objectives. The funds could also be used to repay term debt but such a move would only be by resolution of Council.

Reporting Procedure

A report will be prepared quarterly on Council's investment portfolio. Such a report will include:

- a) the value and mix of Council's investments
- b) any changes to the mix and value from the previous report
- c) terms and interest rates or treasury investment
- d) net rental yields of property investments
- e) earnings per share of equity investments

- f) return on investment on each investment type
- g) comparisons of actual returns versus budgeted returns

Assessment and Management of Risks associated with Investments

The Kaikoura District Council minimises its exposure to risk by;

- a) maintaining a minimum cash on short term deposit of \$250,000; and
- b) encouraging diversification of the type of investments held;
- c) limiting its treasury investments to those organisations identified in Council's liability management policy

Day to Day Management Procedure

The day-to-day management of Council's investment portfolio will be undertaken by the Chief Executive Officer. All treasury investments will be made by the Chief Executive Officer and recorded on deal reports. These reports will be held by the Finance Manager.

The authority to open new bank accounts shall be made by Council and at least two of the Chief Executive Officer, Executive Officer and Finance Manager shall be required to sign cheques or electronic transfers associated with the investment.

Disclosure in Financial Statements

For the purposes of disclosing Council's investment assets in its public documents, sinking funds and bank deposits are stated as Sinking Funds & Investments within non-current assets, and property and forestry investments are included within Fixed Assets.

Rates Remission Policy

The Kaikoura District Council may remit all or part of the rates of rating units covered by this Rates Remission Policy, provided that both the General Conditions and the Specific Conditions within this policy have been met.

The types of remissions available, and the objectives in providing them, are:

Remission of Penalties

The objective of this policy is to provide rates relief for penalties incurred, where the late payment was due to circumstances beyond the ratepayers control.

Specific Conditions

- (a) In cases where ratepayers are in arrears with their rates, but have made acceptable arrangements for the payment of those rates, further penalties incurred will be remitted under this policy unless the payment arrangement is not being adhered to.
- (b) Remission of the penalty will be granted if the ratepayer by written explanation satisfies the Council that the late payment was due to circumstances outside the ratepayer's control.
- (c) Applications under this criteria will only be accepted if the ratepayer has no history of penalty remissions for the last two years.

(d) Penalty rates will not be remitted if they were incurred in a previous rating year, regardless of whether they otherwise meet the criteria (except where the penalty was incurred as a result of an error in the rates levied in that year).

(e) All applications will be considered under their own merit, and will be granted only where it is considered fair and equitable to do so.

Delegations

Council delegates the authority to remit rates penalties to the Chief Executive Officer.

Remission of rates for land protected for natural, historical or cultural purposes

The objective of this policy is to encourage the protection of significant natural areas by providing rates relief for privately owned land that contains special features voluntarily protected for natural, historic, cultural or conservation purposes.

Specific Conditions

Council will consider remission of rates on land that comes within the following criteria:

- (a) QEII covenanted land is non-rateable as provided for in the Local Government (Rating) Act 2002
- (b) The land is to be assessed by calculating the area of the covenant as a percentage of the total area of the property, and the rates reduced by this percentage
- (c) That covenanted land that includes a dwelling(s) may be liable for certain targeted rates where services apply (water, sewerage, refuse disposal),
- (d) Where there is an economic use of covenanted land, that partial rates may apply (eg grazing on a large landscape covenant, commercial ecotourism).
- (e) Once granted, rate relief is automatic each year with no requirement for annual application by the landowner.

Delegations

Council delegates the authority to remit rates for land protected for natural, historical or cultural purposes to the Chief Executive Officer.

Remission of rates following a Civil Defence Emergency

The objective of this policy is to provide rates relief for land that has been significantly affected by disaster, such as flooding, earthquake, or tsunami, whereby the income derived from the land or the use of the land has been materially and detrimentally affected.

Specific Conditions

- (a) Council will consider remission of rates under this policy only where Central Government has recognised the seriousness of the event and provided financial assistance to enable the remission to occur.

- (b) The term and nature of the remission, and the proof of hardship required, will be determined on a case-by-case basis.

Delegations

Council delegates the authority to remit rates following a Civil Defence Emergency to the Finance and Policy Committee.

Remission of rates for Maori Freehold Land

The objective of this policy is to ensure the fair and equitable collection of rates from all sectors of the community, recognising that certain Maori freehold land has particular conditions, features or other circumstances, which may make rates remission appropriate.

Specific Conditions

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is subject of such an order may qualify for remission under this policy.

Council will consider remission of rates on land that comes within the following criteria:

- (a) The land is unoccupied and no income is derived from that land; and/or
- (b) The land is better set aside for non-use (whenua rahui) because of its natural features; and/or
- (c) The land is inaccessible and unoccupied.

Delegations

Council delegates the authority to remit rates for Maori Freehold Land to the Chief Executive Officer.

Other Rates Remissions

Council may, at its own discretion, consider applications for rates remissions that do not meet the circumstances provided for in this policy. Where Council or Council staff identify an error in the rates levied on any property, those rates (or that portion of rates), including any penalties that were levied incorrectly will be remitted immediately without the requirement to meet any other conditions in this policy. This is to be treated as a correction to the rates for financial purposes, and Council delegates the authority to make this correction to the Chief Executive Officer.

General Conditions

The remission of rates available under this policy may be granted subject to the following conditions:

- (a) Unless provided for in Special Conditions, application must be made in writing to the Chief Executive Officer clearly identifying the property, the owner(s) of that property, and the year to which the rates relate.
- (b) All applications must give full reasons as to why the application is being made.
- (c) All applications will be considered under their own merit, and will be granted only where it is considered fair and equitable to do so.

- (d) In considering each application, Council will consider the extent to which the social, economic, environmental and cultural well-being of the district will be promoted by granting remission of rates.
- (e) Nothing in this policy provides for the permanent remission or postponement of rates on any property.

Rates Postponement Policy

Objective

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

Conditions and Criteria

- Only rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement for extreme financial circumstances.
- Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of, and have owned for not less than five years, the rating unit which is the subject of the application. The person entered on Council's rating information database as the 'ratepayer' must not own any other rating units or investment properties (whether in the district or in another district).
- The ratepayer (or authorised agent) must make an application to Council on the prescribed form.
- Council will consider, on a case by case basis, all applications received that meet the criteria described in the first two paragraphs under this section.
- 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.
- Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care and proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
- Before approving an application Council must be satisfied that the ratepayer has taken all steps necessary to claim any central government benefits or allowances the ratepayer is properly entitled to receive to assist with the payment of rates.
- Where Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
- 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.

- Council, as authorised by Section 88 of the Local Government (Rating) Act 2002, will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council’s administrative and financial costs and may vary from year to year. The fee that will be charged in the 2009/2010 financial year is \$50.
- Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.
- The policy will apply from the beginning of the rating year in which the application is made although Council may consider backdating past the rating year in which the application is made depending on the circumstances.
- 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.
- 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.
- In all instances, applications for rates postponement under this policy will be treated as confidential.
- Council staff may assist applicants in completing their application if necessary.

Delegations

Council may delegate authority to approve applications for rates postponement to the Chief Executive Officer.

Postponement of Rates for Maori Freehold Land

Council does not provide a policy specifically for the postponement of rates for Maori freehold land. Any application for postponement of rates for Maori freehold land would be considered under the general conditions contained within this policy.

However, Council does provide for remission of rates for Maori freehold land under certain circumstances within its Rates Remission Policy.

Revenue and Financing Policy

Objective

To provide the funding mechanisms to ensure the equitable distribution of costs to those who benefit, and to provide for the financial sustainability of the activities undertaken.

Financial Management

The Kaikoura District Council will ensure that each year's projected revenues are set at a level sufficient to meet that year's projected operating expenses.

The Kaikoura District Council will manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

The Kaikoura District Council will make adequate and effective provision to meet the expenditure needs of the district, which have been identified in its Long-Term Council Community Plan, and in its Annual Plan where applicable.

In determining the sources of funding which will be used, in relation to each activity to be funded, Council has considered;

(a) The community outcomes to which the activity contributes; and

- (b) The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- (c) The period over which those benefits are likely to occur; and
- (d) The extent to which the actions (or inaction) of any individual or group may contribute to the need to undertake the activity; and
- (e) The costs and benefits of funding the activity from other activities

Appendix A is a summary of Council's considerations on these matters.

Having considered the most appropriate sources of funding in relation to each activity, Council has then considered 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.

Funding of Operating Expenses

Council's policies and practices as regards the funding of its operating expenses are set to ensure that it complies with applicable legislation and generally accepted accounting practice.

In general terms it will use a mix of revenue sources to meet operating expenses, with major sources being general rates, targeted rates, subsidies, and fees and charges. Council recognises that there are certain circumstances that may allow it to seek alternative sources of funding, and these alternatives will be explored wherever possible.

The following sources of revenue are applied to the council’s operational activities, in order of preference from left to right:

Significant Activities	Fees & Charges	Grants & Subsidies	Interest & Other	Targeted Rates	General Rates
Roads & Bridges		✓	✓	✓	
Footpaths & Cycleways		✓		✓	
Streetlights		✓		✓	
Water Supply	✓		✓	✓	
Sewerage	✓	✓	✓	✓	
Stormwater			✓	✓	
Refuse & Recycling		✓	✓	✓	✓
Parks & Reserves	✓		✓	✓	✓
Community Property	✓		✓		✓
Library	✓		✓		✓
Airport	✓			✓	
Harbour Activities	✓			✓	
Leased Properties	✓				
Forestry			✓		
Governance	✓				✓
Support Services	✓		✓		

Significant Activities	Fees & Charges	Grants & Subsidies	Interest & Other	Targeted Rates	General Rates
Statutory Planning	✓				✓
Building Control	✓				✓
Traffic Control	✓			✓	✓
Dog & Stock Control	✓			✓	✓
Liquor Licensing & Or	✓			✓	
Civil Defence		✓			✓
Rural Fire Control	✓	✓		✓	
Environmental Health	✓			✓	✓
Land Transport Safety		✓			✓
Community Developmt		✓			✓
District Planning	✓			✓	
Environment & Biodiversity	✓	✓	✓		✓
Tourism & Developmt	✓	✓	✓	✓	
Community Services		✓	✓	✓	✓

Basis for selection of mechanisms to fund operating expenses

Fees and Charges are used for services where there is a benefit to an individual. If it is possible to efficiently impose a charge, the Council does so on the basis of either recovering the full cost of the service, the marginal cost added by users, or a rate that the market will pay. The market rate becomes an issue to limit the potential for charging. It applies to circumstances where the Council believes that a charge set too high will reduce use and therefore diminish the value of the facility to the community, such as library fees.

Grants and Subsidies are used where they are available.

Income from Interest, Logging Sales and net rental income is used to offset the cost of provision of other services.

Targeted Rates are used to fund services where Council believes there is a public benefit, and that benefit or service is limited to a geographical area, such as properties within the urban water scheme area, or to avoid the differential applied to general rates, if the benefit is seen to be equal.

General Rates are also used to fund public benefit services, even though it may not be to the whole community. It typically funds “public goods” for which there is no practical method for charging individual users.

Note that development contributions, although intended to be applied for capital expenditure, can also be applied to loan principal and interest expense, where the loan has been raised to undertake capital works for which a development contribution has been calculated. Council will use development contributions to fund interest expense, where this is the case.

Funding of Capital Expenses

Council’s policies and practices as regards the funding of its capital expenditure are set to ensure that it complies with applicable legislation and generally accepted accounting practice.

In general terms it will use a mix of funding sources to meet capital expenditure, with major sources being targeted rates, financial/development contributions, borrowings, reserves (particularly depreciation reserves) and funding assistance such as grants and subsidies. Funding from general rates is applied to specific activities, such as community facilities.

The following sources of revenue are applied to the council’s capital programmes, in order of preference from left to right:

Significant Activities	Grants & Subsidies	Development Contributions	Reserves & Property Sales	Term Loans	Rates
Roads & Bridges	✓	✓	✓	✓	✓
Footpaths & Cycleways	✓	✓	✓	✓	✓
Streetlights	✓		✓	✓	✓
Water Supply	✓	✓	✓	✓	✓
Sewerage	✓	✓	✓	✓	✓
Stormwater		✓	✓	✓	✓
Refuse & Recycling	✓	✓	✓	✓	✓
Parks & Reserves	✓	✓	✓	✓	
Community Property	✓	✓	✓	✓	✓
Library	✓	✓		✓	✓
Airport	✓		✓	✓	
Harbour Activities	✓		✓	✓	✓
Leased Properties	✓		✓	✓	
Rural Fire Control	✓				✓

Basis for selection of mechanisms to fund capital expenses

Grants and Subsidies are used where they are available.

Development Contributions are allowed for within this Plan, the proceeds from these contributions will be applied to capital projects contained within the Development Contribution Policy, and to the cost of servicing debt that has been raised to undertake those projects.

Reserves and Property Sales may be used to fund capital works or to repay debt.

Borrowing may be applied to capital works where the only alternative is rates funding. However, Council is aware that it does not have unlimited capacity to borrow, and the community does not have unlimited capacity to service debt. Therefore Council adopts a prudent approach to debt and its capital programme.

Rates will be used in an ongoing replacement programme and may be used to fund a portion of the capital work. This will be balanced against the affordability of the current ratepayer, and the extent to which the capital or renewal work is even over the period of the plan.

The following pages demonstrate, in relation to each activity to be funded, an analysis of who most benefits from the provision of each activity, the extent to which these groups or individuals benefit, and the community outcomes to which each activity relates. This explains why Council has chosen the funding mechanisms it has, and why it is appropriate for each activity.

Activity to be Funded	Community Outcomes	Distribution of Benefits	Period Over Which Benefits Accrue	Extent of Individual or Identifiable Groups Contribution to Costs or Activity	Costs & Benefits of Funding from Other Activities
Roads & Bridges	<ul style="list-style-type: none"> • Sustainable Development, • A Safe, Efficient Transport Network 	100% Community as a whole, on a property basis.	Maintenance annually, capital works over the life of the asset	Development within the district places extra demands on the existing infrastructure.	Reserve funds, subsidy, contributions and loans are appropriate to fund upgrading and extending infrastructure.
Footpaths & Cycleways	<ul style="list-style-type: none"> • Sustainable Development, • A Safe, Efficient Transport Network, 	100% community on a whole, properties closest to the services (i.e. in the urban area) have the greatest benefit, then semi-rural, then rural	Maintenance annually, capital works over the life of the asset	Development within the district places extra demands on the existing infrastructure.	Reserve funds, subsidy, contributions and loans are appropriate to fund upgrading and extending infrastructure.
Streetlights	<ul style="list-style-type: none"> • Sustainable Development, • A Safe, Efficient Transport Network, 	100% community on a whole, properties closest to the services (i.e. in the urban area) have the greatest benefit, then semi-rural, then rural	Maintenance annually, capital works over the life of the asset	No option for user pays	Subsidies will be sought wherever these are available

Activity to be Funded	Community Outcomes	Distribution of Benefits	Period Over Which Benefits Accrue	Extent of Individual or Identifiable Groups Contribution to Costs or Activity	Costs & Benefits of Funding from Other Activities
Water Supply	<ul style="list-style-type: none"> • Sustainable Development • Quality Water & Wastewater Services, • A Quality Standard of Housing • Environmental Protection & Enhancement 	100% water consumers, both on a fixed and a metered basis	Maintenance annually, capital works over the life of the asset	Development places extra demands on the existing infrastructure. Upgrade costs will be funded by contributions for new developments, and subsidies where these are available	Reserve funds, subsidies, contributions and loans are appropriate to fund upgrading and extending infrastructure.
Sewerage	<ul style="list-style-type: none"> • Sustainable Development, • Quality Water & Wastewater Services, • A Quality Standard of Housing, • Environmental Protection & Enhancement 	100% Community within the urban area, both on a property and a per pan basis	Maintenance annually, capital works over the life of the asset	Development places extra demands on the existing infrastructure. Upgrade costs will be funded by development contributions and subsidies where these are available	Reserve funds, subsidies, contributions and loans are appropriate to fund upgrading and extending infrastructure.

Activity to be Funded	Community Outcomes	Distribution of Benefits	Period Over Which Benefits Accrue	Extent of Individual or Identifiable Groups Contribution to Costs or Activity	Costs & Benefits of Funding from Other Activities
Stormwater	<ul style="list-style-type: none"> • Sustainable Development • Quality Water & Wastewater Services • A Quality Standard of Housing • Environmental Protection & Enhancement 	100% Community within the urban area, on a property basis.	Maintenance annually, capital works over the life of the asset	Development within the district places extra demands on the existing infrastructure.	Reserve funds, contributions and loans are appropriate to fund upgrading and extending infrastructure.
Refuse & Recycling	<ul style="list-style-type: none"> • Sustainable Development • Environmental Protection & Enhancement 	100% Community as a whole, but only some properties receive a kerbside recycling collection	Maintenance annually, capital works over the life of the asset	Commercial premises create the need for a portion of the costs of providing public rubbish bins in public places	Landfill charges are collected by the landfill operator.
Parks & Reserves	<ul style="list-style-type: none"> • Sustainable Development, • Environmental Protection & Enhancement • Affordable Access to Quality Community Facilities 	75% Community as a whole, 25% user fees & charges (via lease fees, rentals, etc)	Indefinitely	There is a public expectation for parks & reserves, sports clubs rely upon grounds for their sporting pursuit, public toilets and public car parks are necessary for visitors	Reserves, contributions and loans are used to fund upgrading and extending parks and reserves. Grants and subsidies will be sought wherever these are available.

Activity to be Funded	Community Outcomes	Distribution of Benefits	Period Over Which Benefits Accrue	Extent of Individual or Identifiable Groups Contribution to Costs or Activity	Costs & Benefits of Funding from Other Activities
Community Property	<ul style="list-style-type: none"> • Sustainable Development • A Quality Standard of Housing • Affordable Access to Quality Community Facilities 	30% Individuals and identified groups on a user pays basis 70% Community as a whole.	Annually	This varies according to the nature of the property.	Housing for the elderly is self-funding. Lease revenues will be sought from various property as available.
Library	<ul style="list-style-type: none"> • Sustainable Development • Affordable Access to Quality Community Facilities 	75% Community as a whole, on an equal basis, 25% Individuals on a user pays basis.	The lifetime of the library collection.	Users of the library contribute 100% to the need for this activity, but it is not equitable to fund this activity on a user pays basis.	Grants, donations and special funds assist with the funding of this activity.
Airport	<ul style="list-style-type: none"> • A Safe, Efficient Transport Network 	100% Individuals or identifiable groups, on a user pays basis,	Annually	The commercial sector benefits the most from the provision of airfield facilities, along with the Aero Club and passing aviators.	The activity should be self-funding, if it creates deficits then the commercial rate would be the last option.
Harbour Activities	<ul style="list-style-type: none"> • Sustainable Development 	35% Community as a whole, on a property basis, 65% Individuals, on a user pays basis.	Maintenance annually, capital works over the life of the asset	Commercial operators have the most need for this activity, and the greatest demand on the level of service.	Reserve funds and loans are appropriate to fund upgrading facilities. Grants will be sought wherever available.

Activity to be Funded	Community Outcomes	Distribution of Benefits	Period Over Which Benefits Accrue	Extent of Individual or Identifiable Groups Contribution to Costs or Activity	Costs & Benefits of Funding from Other Activities
Leased Properties	<ul style="list-style-type: none"> Affordable Access to Quality Community Facilities 	100% Individuals or Groups (i.e. the Leasee)	Annually	The Leasee is liable for any costs relating to the property through the terms of their lease	Lease revenues ensure these properties are self-funding, and may generate surpluses
Forestry	<ul style="list-style-type: none"> Affordable Access to Quality Community Facilities 	100% Community as a whole (logging revenues are used to offset rates and/or generate funds for other developments)	Annually	None	Forestry revenues generate surpluses
Governance	<ul style="list-style-type: none"> A Safe, Efficient Transport Network, Opportunities for Quality Education & Employment, A Quality Standard of Housing, Environmental Protection & Enhancement, Affordable Access to Quality Community Facilities, Community Involvement 	100% Community as a whole, on an equal basis. The benefit of representation accrues to people, not property	Annually	None	Not appropriate to cost recover for local representation, no opportunity for other funds. Rates rebates are available for low income landowners

Activity to be Funded	Community Outcomes	Distribution of Benefits	Period Over Which Benefits Accrue	Extent of Individual or Identifiable Groups Contribution to Costs or Activity	Costs & Benefits of Funding from Other Activities
Support Services	<ul style="list-style-type: none"> Sustainable Development 	10% Individuals on a user pays basis, 90% Community as a whole	Annually	None	Overhead allocations are used to distribute costs over the activities supported, i.e. these activities are not directly rates funded
Statutory Planning	<ul style="list-style-type: none"> Sustainable Development Environmental Protection & Enhancement 	80% Individuals on a user pays basis. 20% Community as a whole, on a property basis.	Over the life of the development to the individual, annually to the community.	Resource consents are fully funded by the applicant	Fees & charges are appropriate for consent applicants
Building Control	<ul style="list-style-type: none"> A Quality Standard of Housing 	80% Individuals on a user pays basis. 20% Community as a whole, on a property basis.	Over the life of the building to consent applicants, annually to the community.	Building consents are fully funded by the applicant	Fees & charges are appropriate for consent applicants
Traffic Control	<ul style="list-style-type: none"> Safe, Efficient Transport Network 	80% Community as a whole on a property basis, 20% Individuals on a user pays basis.	Annually to the community, Immediately to individuals.	The commercial sector benefit the most from the provision of parking, so should meet a greater share of the community cost	Infringement fees and carparking revenue is appropriate for this activity

Activity to be Funded	Community Outcomes	Distribution of Benefits	Period Over Which Benefits Accrue	Extent of Individual or Identifiable Groups Contribution to Costs or Activity	Costs & Benefits of Funding from Other Activities
Dog & Stock Control	<ul style="list-style-type: none"> Sustainable Development 	80% Individuals (dog and stock owners), and 20% community as a whole (protection from wandering dogs and stock). Stock control benefits the community outside the township, where the stock is located	Annually	Dog owners create the need for the dog control activity, stock owners create the need for the stock control activity	Dog registration fees fund the bulk of the dog control activity, and cost recovery from the owner is appropriate where action has been required to control or contain wandering stock.
Liquor Licensing & Other	<ul style="list-style-type: none"> Sustainable Development 	100% Licensed Premises (for liquor licensing), 100% Community as a whole (for noise control and other regulatory)	Annually	Registered premises benefit from and create the need for this activity	Fees are set by legislation, no opportunity to increase fees or source alternative funds
Civil Defence	<ul style="list-style-type: none"> Sustainable Development 	100% Community as a whole, on an equal basis.	Annually	None	No option (previous subsidies no longer available)
Rural Fire Control	<ul style="list-style-type: none"> Environmental Protection & Enhancement 	Rural fire control benefits property outside the urban area	Annually	Individuals benefit from permitted activity (i.e. fire permits)	Subsidies are available for training and fire fighting equipment

Activity to be Funded	Community Outcomes	Distribution of Benefits	Period Over Which Benefits Accrue	Extent of Individual or Identifiable Groups Contribution to Costs or Activity	Costs & Benefits of Funding from Other Activities
Environmental Health	<ul style="list-style-type: none"> Quality Water & Wastewater Services 	60% Community as a whole, on an equal basis. 40% Individuals on a user pays basis.	Annually	Registered premises benefit and create the need for this activity.	Some fees are set by legislation, opportunity to increase some fees but no source of alternative funds
Land Transport Safety	<ul style="list-style-type: none"> Safe, Efficient Transport Network 	100% community as a whole	Annually	Road users create the need for education of safe road use	User fees are not an option, subsidy is available from NZ Transport Agency.
Community Development	<ul style="list-style-type: none"> Opportunities for Quality Education & Employment 	100% community as a whole	Annually	None	User fees are not an option
District Planning	<ul style="list-style-type: none"> Sustainable Development Safe, Efficient Transport Network, A Quality Standard of Housing Environmental Protection & Enhancement 	100% community as a whole, except for plan changes where benefit accrues to applicant, also sales of district plan document to individuals	Indefinitely	None	Cost recoveries are appropriate where plan changes are initiated by developers, revenue is available from plan sales

Activity to be Funded	Community Outcomes	Distribution of Benefits	Period Over Which Benefits Accrue	Extent of Individual or Identifiable Groups Contribution to Costs or Activity	Costs & Benefits of Funding from Other Activities
Environment & Biodiversity	<ul style="list-style-type: none"> • Sustainable Development • Quality Water & Wastewater Services • Safe, Efficient Transport Network • Environmental Protection & Enhancement 	100% community as a whole, except for consent advice	Indefinitely	Individual landowners may benefit or create the need for this activity, where they have areas of biodiversity interest on their land	External funding is sought wherever possible
Tourism & Development	<ul style="list-style-type: none"> • Sustainable Development • Opportunities for Quality Education & Employment 	100% Commercial premises, but individuals do benefit from employment and economic development	Annually	Individuals also benefit from economic development by generating employment and higher income	External funding is sought wherever possible
Community Services	<ul style="list-style-type: none"> • Sustainable Development 	100% community as a whole benefits from clubs, organisations, etc being adequately funded. The grant paid to KITI benefits the commercial sector	Annually	Local clubs and organisations, events and projects create the need for this activity	None

Development Contributions Policy

1. Background

1.1 Introduction

Growth pressures mean that the population and economic base of the district will expand through major additions to the existing Kaikoura urban area, both in new greenfields development in the rural environment, and intensification of existing urban areas. This will place a significant strain on network and community infrastructure over the next 10 years.

The challenge is to put in place a transparent, consistent and equitable basis for requiring contributions in order that those undertaking developments pay a fair share of the capital expenditure for infrastructure.

Council is required to have a Development Contributions Policy as a component of its Funding and Financial Policies in its Long-Term Council Community Plan (LTCCP). Development contributions may be required from developments if Council has a Development Contributions Policy in place.

1.2 Enabling Legislation and Supporting Policy Framework

This policy on Development Contributions is provided in accordance with s106 of the Local Government Act 2002.

This policy contributes to community outcomes in the LTCCP by ensuring the provision of appropriate infrastructure to meet the needs of growth.

1.3 Purpose

The key purpose of the Development Contributions Policy is to ensure that growth, and the cost of infrastructure to meet that growth, is funded by those who cause the need for and benefit from that infrastructure. Development Contributions are not a tool to fund the cost of maintaining infrastructure. These costs will be met from other sources.

A Development Contribution is required in relation to a development when:

- the effect of that development is to require new or additional assets or assets of increased capacity in terms of network infrastructure, reserves and community infrastructure; and
- the Council incurs capital expenditure to provide appropriately for those assets.

The effect of a development in terms of impact on these assets includes the cumulative effect that a development may have in combination with another development.

2. Policy Section

2.1 Adoption, Implementation and Review

This Development Contributions Policy has been reviewed in conjunction with the LTCCP review of 2009 to 2019. This policy will continue to be updated on a three-yearly basis, in alignment with LTCCP reviews, or at shorter intervals if Council deems necessary, to take account of:

- Any changes to the significant assumptions to the Development Contributions Policy.
- Any changes in policy as Council continues to develop and implement Structure Plans for the district.
- Any changes to the District Plan.
- Any changes in the capital works programme for growth
- Any changes in the pattern and distribution of development in the district.
- Any significant changes in cost indices.
- Any other matters Council considers relevant.

2.2 Retrospective Application

The LGA 2002 states that development contributions can be required for any resource consent, building consent or authorisation for a service connection granted on or after 1 July 2004 and lodged after 19 December 2001.

Credit will however be given for the pre-existing status of properties (see Section 2.3. below).

Any non-notified application lodged by 2 June 2005, with no outstanding requests for further information, will continue to be assessed under the

existing transitional provisions of the Resource Management Act (even if a formal decision on the application is not available by 1 July 2005). This is on the basis that these applications should be processed prior to 1 July 2005 in accordance with the statutory processing timeframes in the Resource Management Act 1991.

2.3 Credits

Where development contributions or financial contributions for a particular property have previously been assessed and paid, credit to that amount will be given for the particular activity. For the calculation of these credits there is no historical time limit and all previous payments will be taken into account.

2.4 Definition of Growth

In terms of this Policy, growth means the increase in capacity of network and community infrastructure external to the boundaries of the development site required to service that development.

Within the boundaries of the development site, the developer shall provide the following as part of the cost of development as a condition of the consent under the Proposed District Plan:

- Roading, footpaths, street lighting and car parking infrastructure.
- Water supply network.
- Wastewater network.
- Stormwater collection and disposal infrastructure.

2.5 Development Contributions

2.5.1 Requirement for and use of Development Contributions

Council may require a development contribution from any development for the following:

- Capital expenditure expected to be incurred as a result of growth.
- Capital expenditure already incurred in anticipation of development.

Development Contributions will be required to meet the growth component of the future capital expenditure budgets for:

- Roading
- Water and Wastewater
- Stormwater
- Parks: Reserve Land and community infrastructure on that land
- Community Facilities
- Refuse/Recycling
- Footpaths

2.5.2 Future Policy Developments

Future versions of this policy may capture Development Contributions for additional capital expenditure on facilities and infrastructure not identified in this document.

2.5.3 Capital Expenditure Council Expects to Incur as a Result of Growth

The total estimated capital expenditure Council expects to incur, as a result of growth, to meet increased demand for Roading, Water and Wastewater, Stormwater, Parks and Community Facilities, Refuse/Recycling and

Footpaths over the next 10 years, is summarised in the table in Appendix F Capital Projects.

Note: Backlog and Renewal portions of capital expenditure will be funded from sources other than Development Contributions.

2.5.4 Capital Expenditure Council has Incurred in Anticipation of Development

Development Contributions will be required from development to meet the cost of capital expenditure already incurred in anticipation of development.

2.5.5 Council Use of Development Contributions

Council will use development contributions only on the activity for which they are collected. This will be undertaken on an aggregated project basis for each of the activities.

Where Council anticipated funding from a third party for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the total estimated growth component to be funded by development contributions.

2.5.6 Limitations to the Application of Development Contributions

Council will not require a development contribution in the following cases:

- Where it has, under Section 108(2)(a) of the Resource Management Act 1991 (RMA), imposed a condition on a resource consent in relation to the same development for the same purpose; or

- Where the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
- Where the Council has received or will receive funding from a third party for those works.

For the avoidance of doubt, this does not in any way limit Council's ability to require that Parks: Reserves contributions are to be paid in the form of a cash contribution.

2.5.7 Schools Exempt from Development Contributions

Preschools, Primary Schools and Secondary Schools are viewed as community education facilities and are therefore exempt from development contributions.

3. Assessment of Development Charges

The following services have been defined for which development contributions have been calculated. The activities are:

Network Infrastructure

- Roothing
- Water Supply
- Wastewater
- Stormwater
- Footpaths
- Refuse & Recycling

Parks, Reserves & Community Infrastructure

- Parks: Reserve Land, and community infrastructure on that land
- Coastal Reserves
- Playgrounds
- Public Toilets
- Car Parking

Community Facilities

- Multi Sports Complex
- Indoor Swimming Pool
- Gymnasium
- Library
- Museum
- Art Viewing area
- Meeting/Functions room

3.1 Development Contributions

For Roading, Development Contributions are calculated on a uniform district-wide basis.

However, for Water Supply, Wastewater and Stormwater, Contribution areas have been determined based on existing constituted service catchments.

3.2 Growth Model and Household Equivalent Units

The district's growth model has been developed in order to predict growth throughout the district in 'Household Equivalent Units' (HEU) and this growth information is presented per service.

In the growth model a HEU is defined as being equivalent to one "average" household unit. It was recognised that household units vary and that the demands they generate also cover a broad range.

3.3 Residential Applications

The subdivision of land or land use consent to change the predominant land use of an existing site to create additional residential lots obviously results in the potential for additional household units and therefore additional Household Equivalent Units, which form the base unit for the calculation and charging of development Contributions.

The only information that is required to calculate the number of HEUs, and hence the DC chargeable, is the additional number of residential allotments created by the proposed consent.

The following activities, except for Parks, Reserves and Community Infrastructure will therefore all be assessed as 1 HEU per additional allotment;

- Roading
- Water (except for Suburban, Kincaid, Fernleigh, and East Coast, which are on a per unit of water basis)
- Wastewater
- Stormwater
- Community Facilities
- Footpaths
- Refuse/Recycling

There is no need to calculate HEUs for Parks, Reserves and Community Infrastructure as this is assessed as a percentage of land value. See Section 5.7.2.

Every residential unit, whether a separate dwelling or part of an apartment complex equals 1 Household Unit which equals 1 Unit of Demand and every lot is taken as being intended for 1 Household Unit.

Commercial accommodation is usually made up of a number of beds catering for a maximum number of people rather than Household Units. The number of HEUs is calculated by using a Household conversion factor. Given that each person staying in commercial accommodation is equivalent to 22 percent of a Household Unit (4.5 persons), the conversion factor for commercial accommodation is 0.22. For example, the HEU arising from commercial accommodation catering for a maximum of 200 people is 44 Units.

3.4 Non-Residential Applications

For non-residential consent applications HEUs may be calculated for each activity using the following three methodologies:

- If demand is known (e.g. traffic movements, volume of water usage) then use the base units table below (3.4.1) to calculate the HEU; or
- If demand is unknown, use the GFA conversion table below (3.4.2) to estimate the HEU; or
- If GFA is unknown use the allotment area formula below (3.4.3) to estimate the GFA and then use this estimated GFA to estimate the HEU.

The demand on services of any activity will be calculated based on an assessment of the demand when the activity is established and operational, not on the demand created temporarily during construction.

3.4.1 Base Units

The table below summarises the demands of an average household unit, or HEU, for the activities in terms of base units.

Activity	Base Units	Demand per HEU	Comments
Roading	Vehicle trips/day	10	Assume all light vehicles
Water	M3/day/lot	1.9m3/day/lot	Urban Upgrade Study 2000
Wastewater (Collection and Treatment)	M3/day/lot	1m3/day/lot	Urban Upgrade Study 2000

3.4.2 GFA Conversions

The table below summarises the conversion factors to convert the GFA of a non-residential building to an average household unit, or HEU.

Land use	Roading HEUs / 100m2 GFA	Water Supply HEUs / 100m2 GFA	Wastewater HEUs / 100m2 GFA	Stormwater HEUs / 100m2 Impervious Surface	Reserve Land	Footpaths Refuse, Recycling	Community Facilities
Retail	2.4	0.13	0.26	1	0.5% of Capital Value	2.4	0.5% of Capital Value
Industrial	1.36	0.1	0.2	1	0.5% of Capital Value	1.36	0.5% of Capital Value
Commercial	1.36	0.1	0.2	1	0.5% of Capital Value	1.36	0.5% of Capital Value

See Appendix D for a breakdown of the calculations of these figures.

Development Contributions will be levied on non-residential development for Parks – Reserves. Council has determined that non-residential developments do increase demand on reserve infrastructure and this demand does translate into the need for additional land purchase. It is also deemed to be equitable to charge a contribution on Parks: Community Infrastructure and Community Facilities.

3.4.3 Estimate of GFA

IF the GFA of a non-residential building is unknown Council will make an estimate of the likely GFA for calculation purposes, based on the average building coverage rates for that area.

Developments in the Kaikoura Urban Area will also be assessed for a stormwater contribution, based on the area of impervious surfaces to be drained to the reticulated stormwater network. Where no information is provided with an application on the area of impervious surfaces proposed to be drained to the network, it is difficult and impractical to calculate the demand created by the development in terms of HEUs. In this circumstance Council will make an estimate of the likely area of impervious surfaces, based on the average building coverage rates for the industry.

3.4.4 Non-residential applications in Residential Environments and Residential and Mixed use applications in Commercial / Retail Environment Areas:

To be assessed on the particular land use applied for.

3.4.5 Summary

	Subdivision	Development
Residential	1 HEU per activity per additional title except Parks – Reserves, to be assessed as a % of land value.	As for subdivision including units in strata title type developments. Parks: Reserves to be assessed based on land value.
Non-residential	Standard table of HEUs per activity in units of 100m ²	Standard table of HEUs per activity in units of 100m ²
Mixed Uses	To be assessed as above for the particular land use applied for.	
Special Category	On demand by Council. Applicant to provide detailed assessments of their development's transport, water supply or wastewater demands in "Base Units". Using the standard base unit / HEU conversions these estimates may then be converted into HEUs and charged accordingly.	

See Appendix D for a breakdown of the calculations of these figures.

3.5 Rural Land Uses

Residential developments in the rural area are treated the same as in the urban environment.

Each rural allotment will be assessed as having 1 HEU per residential dwelling on the property. Each additional residential dwelling on a rural allotment will be assessed as an additional HEU.

Non Residential sheds and farm buildings associated with rural activities, which do not place additional demand on infrastructural services, will not incur a development contribution.

Industrial or commercial developments located in the rural area will be assessed for a contribution in accordance with Section 3.4.

3.6 Extraordinary Circumstances

Council reserves the discretion to enter into specific arrangements with a developer for the provision of particular infrastructure to meet the special needs of a development, for example where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of Household Equivalent Units.

If, at development stage, an application clearly has a significantly greater impact than that envisaged in the averaging implicit in the above methodology, a “Special Assessment” may be called for at the Council’s discretion. The applicant will be expected to provide supporting information and detailed calculations of their development’s roading, water supply and wastewater demands in base units. Using the standard base unit/HEU conversions these estimates may then be converted to

HEUs and charged accordingly. This additional information could be made part of a Section 92 (RMA 1991) or requested pre-application stage.

For example, a “Traffic Impact Assessment” is a requirement for most non-residential developments as well as residential developments larger than a few lots. It will usually be possible, therefore, to compare the vehicle trips per day reported from this source with the above table. In any case, any particularly traffic intensive land use will be deemed to fall into the special assessment category and the HEUs based on the impact assessment.

3.7 Cost Allocation Process and Funding Model

For each project either recently completed or planned the Council asset managers have determined the component of the project that is allocated to meeting the needs of the growth community. This allocation takes into account and deducts funds available from alternative funding sources (such as Transfund). Cost allocation sheets are available for review at the Council offices. These projects are reported for each service type.

The funding model ensures an equitable assessment of the funding requirements to support the Development Contributions regime. The primary output of the funding model is an accurate assessment of the required Development Contribution charges. See Appendix C for further information on the funding model.

3.8 Calculation of Development Contributions

For each infrastructural (Roading, Water Supply, Wastewater and Stormwater) or community asset, Parks: Community Infrastructure, Community Facilities where Development Contributions are required, the Development Contribution payable by the developer will be calculated by multiplying the Development Contributions per Household Equivalent Unit by the number of Household Equivalent Units.

3.8.1 Residential Development

Terms used in the following flow chart are defined and explained on diagrams 1 to 4 in Section 3.8.4.

<p>STEP 1: AREA OF DEVELOPMENT Go to Section 3.1 and check what (geographical) Development Contribution area the development lies within.</p>
<p>STEP 2: PRICING SCHEDULE Go to the Development Contributions Schedule (Appendix A) and identify the fees payable per Household Equivalent Unit for the Development Contribution area.</p>
<p>EXISTING ENTITLEMENT Recognising existing demand on services and therefore any existing entitlement, it is necessary to determine any credits/debits applicable to the residual title.</p> <p>For subdivisions (where the residual lot remains residential – see diagram 1 section 3.8.4) the existing title will have a full historic credit meaning no development contribution is payable on the residual title. Where a second (residential) dwelling is created on an existing title (see diagram 2 section 3.8.4) the existing dwelling will have a full historic credit meaning no development contribution is payable on the existing dwelling. Note, each dwelling (irrespective of size) is deemed to be one household equivalent unit. Therefore additions to existing residential dwellings (for residential purposes) will therefore attract no DC charge.</p>

<p>DCs PAYABLE FOR ADDITIONAL NEW TITLE(S) ON AN EXISTING TITLE There will be a development contribution on any additional titles created by subdivision or any additional dwelling(s) created in the absence of subdivision.</p>
<p>STEP 3: NUMBER OF HEUs Using the HEU conversion information in Section 3.3 establish how many HEUs the proposed development will create for each asset category.</p>
<p>STEP 4: APPLICATION OF HEUs Apply the HEUs to the proposed development (i.e. multiply charges identified in Step 2 by the HEUs identified at Step 3).</p>
<p>STEP 5: TOTAL (EXCL RESERVES) Calculate the total development contribution by summing the individual charges established in Step 4 and add GST of 12.5%.</p>
<p>STEP 6: RESERVES In addition, the development contribution for Parks: Reserve Land and Infrastructure will be calculated as a percentage of land value after development in accordance with the formula in Section 5.10.1. Land value is assumed to include GST.</p>
<p>STEP 7: TOTAL DC PAYABLE Add together the results from Steps 5 and 6 to get the total development contributions for the proposed development.</p>

3.8.2 Non-Residential Development

Terms used in the following flow chart are defined and explained on diagrams 1 to 4 in Section 3.8.4.

<p>STEP 1: AREA OF DEVELOPMENT Go to Section 3.1 and check what (geographical) Development Contribution area the development lies within.</p>
<p>STEP 2: PRICING SCHEDULE Go to the Development Contributions Schedule (Appendix A) and identify the fees payable per Household Equivalent Unit for the Development Contribution area.</p>
<p>EXISTING ENTITLEMENT Recognising existing demand on services and therefore any existing entitlement, it is necessary to determine any credits/debits applicable to the residual title. (See diagrams 1 and 3, section 3.8.4)</p> <p>Historic credit will be given for the pre-existing status of the property. This credit will only apply to the residual title (see diagram 1 section 3.8.4) and cannot be transferred to other titles created as a part of the development.</p>
<p>STEP 3: NUMBER OF HEUs: EXISTING ENTITLEMENT Using the HEU conversion information in Section 3.4 establish how many HEUs the existing site has for each asset category as a result of historic credits.</p>
<p>STEP 4: APPLICATION OF HEUs: EXISTING ENTITLEMENT Apply the HEUs to the existing site (i.e. multiply charges identified in Step 2 by the HEUs identified at Step 3).</p>
<p>STEP 5: TOTAL HISTORIC CREDIT Calculate the total historic credit by summing the individual charges established in Step 4 and add GST of 12.5%.</p>
<p>RESERVES (HISTORIC CREDIT) There will be no historic credit for Reserves, as Council has only historically imposed Reserves Contributions on Residential development.</p>
<p>STEP 6: PROPOSED DEVELOPMENT – RESIDUAL TITLE The residual title will be subject to a DC that is calculated in STEPS 7-10</p>

<p>STEP 7: NUMBER OF HEUs PROPOSED DEVELOPMENT – RESIDUAL TITLE Using the HEU conversion information in Section 3.4 establish how many HEUs the proposed development will create for each asset category.</p>
<p>STEP 8: APPLICATION OF HEUs PROPOSED DEVELOPMENT – RESIDUAL TITLE Apply the HEUs to the proposed development (i.e. multiply charges identified in Step 2 by the HEUs identified at Step 7)</p>
<p>STEP 9: TOTAL PROPOSED DEVELOPMENT – RESIDUAL TITLE Calculate the total development contribution by summing the individual charges established in Step 8 and add GST of 12.5%</p>
<p>STEP 10: DEVELOPMENT CONTRIBUTIONS PAYABLE ON RESIDUAL TITLE Subtract the total in Step 5 from that in Step 9 to get the total development contribution payable on the existing title taking into account the credit for any existing entitlement. Note that there will be no refund associated with any excess historic credit.</p>
<p>STEP 11: DEVELOPMENT CONTRIBUTIONS PAYABLE FOR ADDITIONAL NEW TITLE(S) Repeat step 6 to 9 for the new titles to obtain the development contribution payable for these titles.</p>
<p>STEP 12: RESERVES DC FOR ADDITIONAL NEW TITLES The development contribution for Parks, Reserves & Community Infrastructure will be calculated as a percentage of land value after development in accordance with the formula in 5.10.1. Land Value is assumed to include GST.</p>
<p>STEP 13: TOTAL DC PAYABLE FOR ADDITIONAL NEW TITLES Add together the results from Steps 11 and 12 to get the total development contribution for the proposed development.</p>

3.8.3 Examples

In Appendix B worked examples are provided to help work out the development contribution payable.

3.8.4 Definition and Explanation of Terms

DIAGRAM 1: SUBDIVISION TO CREATE ADDITIONAL TITLES (RESIDENTIAL OR NON-RESIDENTIAL)

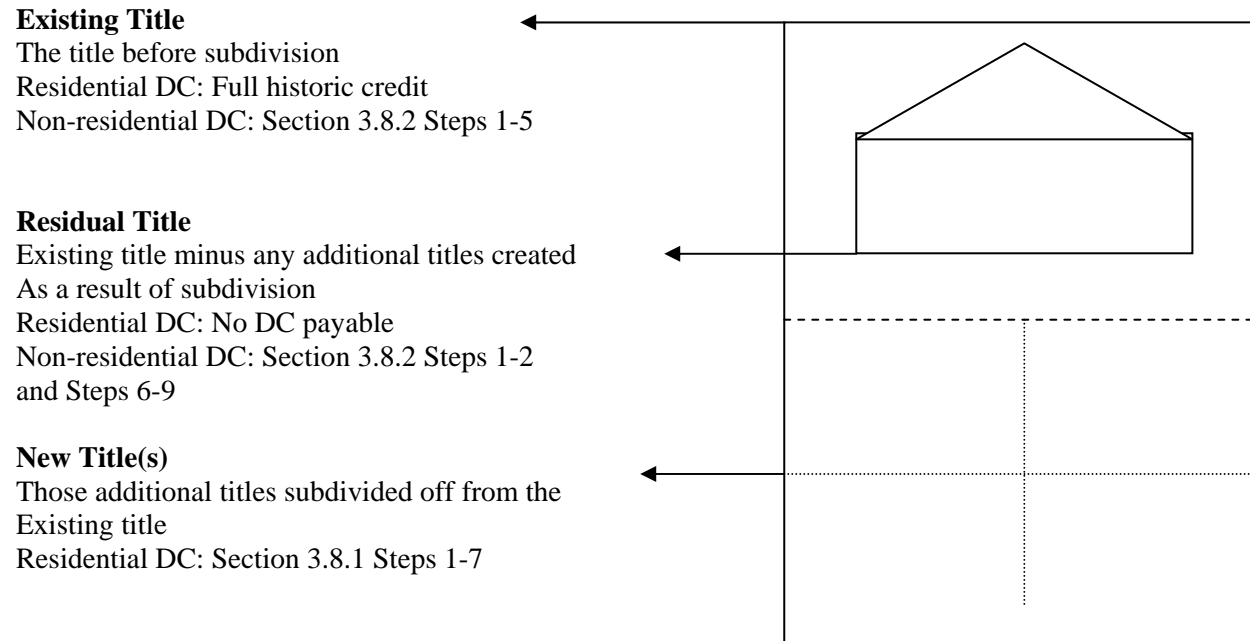


DIAGRAM 2: CONSTRUCTION OF A NEW DWELLING ON AN EXISTING RESIDENTIAL TITLE (NO SUBDIVISION)

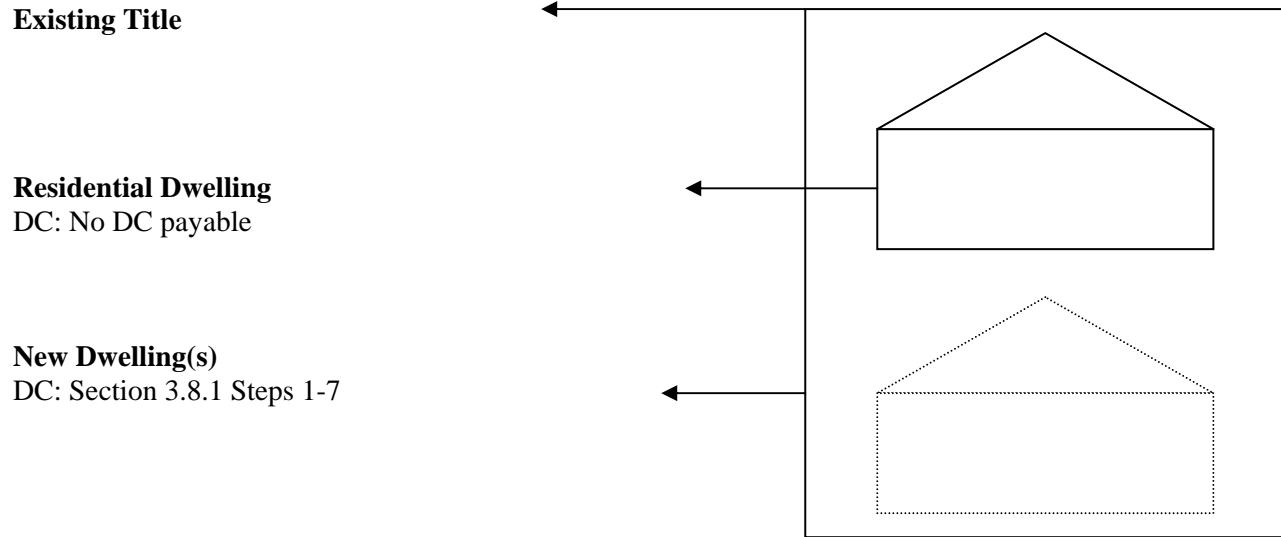


DIAGRAM 3: DEVELOPMENT OF A NON-RESIDENTIAL SITE – NO SUBDIVISION

Existing Title

The title before development
DC: Section 3.8.2 Steps 1-5

Residual Development

Existing development on site
DC: Section 3.8.2 Steps 1-2 and Steps 6-10

New Development

Proposed new development on site
DC: Section 3.8.2 Steps 11-13

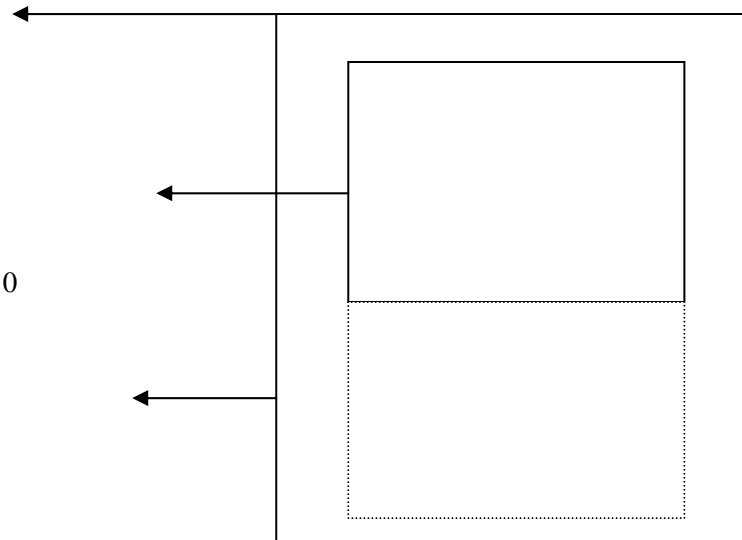


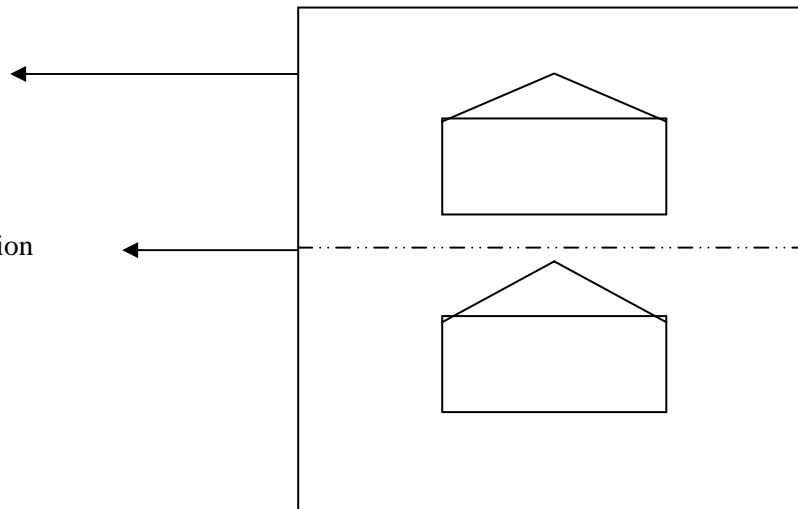
DIAGRAM 4: RESIDENTIAL SUBDIVISION OF LAND WHERE THERE IS MORE THAN ONE EXISTING DWELLING ON THE RESIDUAL TITLE.

Where there are more than one house (or dwelling) already on a title, and that title is subject to a subdivision *to provide for each dwelling to occupy an individual title*, it is deemed that the subdivision is not creating growth, and therefore no development contributions are payable.

By example:

The existing title

Following subdivision



This is due to interpretation of 3.8.1, Residential Development, where, in the section dealing with calculating the existing entitlement, each dwelling is deemed to be one household equivalent unit.

Therefore, in the above example, there are two HEUs for the existing credit, and upon completion of the subdivision there are still only two HEUs.

However, should the subdivision also become subject to a land use consent or building consent to provide for some purpose other than its original use, development contributions may be triggered at that point.

3.9 Trigger for Taking a Development Contribution

3.9.1 Invoicing and Payment of Development Contributions

The initial calculation of the development contribution may occur if requested by the applicant prior to the lodgement of application for:

- Subdivision consent; or
- In the absence of subdivision consent, on land use consent; or
- In the absence of subdivision consent and land use consent, on project information memorandum
- In the absence of the above three, on building consent.

An interim calculation of the development contribution shall occur at the same time as the issuing of the consents that triggered the initial calculation.

Final calculation, invoicing, and payment of a development contribution shall occur prior to the earlier of:

1. the issue of the section 224 completion certificate under the Resource Management Act 1991;
2. the issue of necessary building consents under the Building Act 1991; or
3. an authorisation for a service connection.

A valuation must be provided for Parks, Reserves and Community Infrastructure development contributions to be assessed and invoiced at this point.

Note: Further recalculation of the Development Contribution payable will occur if payment is not received within twelve months of the issuing of invoice.

Action	When
1. Initial calculation of Development Contribution	Lodgement of application for: <ol style="list-style-type: none"> 1. Subdivision Consent 2. Land Use Consent 3. PIM 4. Building Consent
2. Interim calculation of Development Contribution	On issue of: <ol style="list-style-type: none"> 1. Subdivision Consent 2. Land Use Consent 3. PIM 4. Building Consent
3. Final Assessment, Invoicing and Payment of Development Contribution	<ol style="list-style-type: none"> 1. Before issue of 224C Certificate; or 2. On issue of Building Consent (which ever is the earlier) or 3. An authorisation for a service connection

3.9.2 Enforcement Powers

If payment of development contribution is not received as per 3.9.1, Council will enforce powers outlined in Section 208 LGA02. Those powers are as follows.

If the development contribution is not paid,-

- (a) the Council may, under section 208(a) of the Local Government Act 2002,
 - i. withhold a certificate under section 224(c) of the Resource Management Act 1991;

- ii. prevent the commencement of a resource consent under the Resource Management Act 1991
- (b) the Council may, under section 208(b) of the Local Government Act 2002, withhold the code compliance certificate that would be issued under section 95 of the Building Act 2004:
- (c) the building consent authority, under section 94(4) of the Building Act 2004, must refuse to issue a code compliance certificate for the building work until it has received –
 - i. evidence that the development contribution has been paid or made by the owner to the Council; or
 - ii. a copy of a written agreement between the owner and the Council that the code compliance certificate may be issued:
- (d) the Council may, under section 208(c) of the Local Government Act 2002, withhold a service connection to the development;
- (e) the Council may, under section 208(d) of the Local Government Act 2002, register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contribution was required.

3.9.3 Service Connections

Council will continue to collect service connection fees in accordance with current practice and the LGA 2002 for the following assets:

- Water supply connection
- Wastewater connection
- Vehicle Crossing

4. Remission, Reductions and Refund

At the request of an applicant, the development contributions required on a development may be considered for remission, review or refund.

4.1 Remissions

A remission is an adjustment to the schedule charged for a particular activity and catchment as a percentage or in dollar terms. Remissions will only be invoked as a resolution of Council, or a resolution of a committee of the Council delegated to do so.

Remission (in whole or in part) of development contributions may be allowed in the following circumstances:

- (a) The development creates no additional Household Equivalent Units.
- (b) A contribution has already been paid for the same service.
- (c) Development contributions applicable to a particular development are deemed by Council to be excessive for any other reason. This catchall is inserted because Council recognises that there may be situations not envisaged at the time this policy was established that justify remission. However, where units of demand are created it would only be in exceptional circumstances that Council would accept that a remission is justified.

Remissions must be applied for before a development contribution payment is made to Council. Council will not allow remissions retrospectively.

Any request for remission of development contributions shall be made by notice in writing, from the applicant, before development contributions required on the development are paid. Any request for remission shall set out reasons for the request.

4.2 Reductions

A reduction is an adjustment to the HEUs assessed for a consent application. A reduction will only be considered as part of a review requested by an applicant.

Any claim for a reduction would have to be adequately motivated and justified by the applicant and the agreed outcome recorded in a private development agreement.

Any such request shall be made by notice in writing to Council within 15 working days after Council has advised in writing development contributions required on the development, setting out the reasons for the request.

4.3 Refunds

The refund of money and/or return of land will occur in accordance with Sections 209 and 210 of the LGA02, if Council does not provide any reserve network infrastructure, community infrastructure or community facilities for which a contribution has been collected within 10 years of that contribution being received. For the avoidance of doubt, Council will not refund a contribution where a specific project does not proceed only where the service provided by that project is not provided.

Any refunds will be issued to the current consent holder for the development to which they apply. The amount of any refund will be the contribution paid, less any costs already incurred by the Council in relation to the development or building and its discontinuance.

The refund would exclude any costs already incurred by Council, but may include any interest earned depending on the circumstances of the case.

4.4 How the Review of Remissions, Reductions, and Refunds will be undertaken

In undertaking the review:

- Council shall as soon as reasonably practicable consider the request.
- Council may determine whether to hold a hearing for the purposes of the review, and if so, give at least 5 working days notice to the applicant of the commencement date, time, and place, of that hearing.
- Council may, at its discretion, uphold, reduce, postpone or cancel the original amount of development contributions required on the development and shall communicate its decision in writing to the applicant within 15 working days of any determination or hearing.
- Council may delegate this role to a Council committee or Officers.

Where Council decides to consider a request for remission the following matters will be taken into account:

- The Development Contributions Policy.
- The Contributions Model.
- Council's Financial Policies.
- The extent to which the value and nature of works proposed by the applicant reduces the need for works proposed by Council in its capital works programme.

- The level of existing development on the site. Where multiple existing and pre-existing uses can be established Council will have regard to the most intensive use(s).
- Development contributions paid and/or works undertaken and/or land set aside as a result of:
 - Development Contributions.
 - Agreements with Council.
 - Financial Contributions under the RMA.
 - Any other matters Council considers relevant.

In any case, Council retains the right to uphold the original amount of development contributions levied on any particular development.

Note that until contributions are paid, whether or not the application for remissions was successful, Council will use its enforcement powers per 3.9.2.

5. Development Contribution Calculations

5.1 Introduction

The application of the funding model to the total growth cost and predicted growth in the HEUs for all the combinations of activity and catchment results in the schedule of development contribution charges in \$/HEU for each activity (see Appendix A).

This section outlines the specific contribution required for each of the following assets:

- Rooding
- Water and Wastewater
- Stormwater
- Parks: Reserve Land and Community Infrastructure
- Community Facilities
- Footpaths
- Refuse/Recycling

Future versions of this policy may capture Development Contributions for asset classes not included in this version.

5.2 GST Exclusive

Development contributions specified in Tables 1 to 7 of Schedule A are exclusive of Goods and Services Tax (GST). The Parks: Reserves contribution is assessed as a percentage of land value which is assumed to include GST.

5.3 Construction Cost Index

Note that all figures are expressed in 2009 dollars, and will be amended as appropriate in accordance with the Construction Cost Index.

5.4 Roding, Access and Parking

5.4.1 Internal Roding and Access

Any new development will be subject to a development contribution to provide for the internal roding and access infrastructure in accordance with the requirements of the Kaikoura District Council Proposed District Plan.

The provision of roding and access internal to the development will be the sole responsibility of the developer, and development contributions will be required in the form of completed works and services.

5.4.2 Internal Parking

Any new development must provide internal parking (on-site parking) in accordance with the Kaikoura District Council Proposed District Plan. The full actual cost of providing any on-site parking facilities as provided for in the Kaikoura District Council Proposed District Plan lies with the developer.

5.4.3 External Roding – District Wide

All new developments will be subject to a development contribution for the broader roding network to cover the value of future identified capital development works.

The anticipated future growth capital development works are identified in the Council's Roding Asset Management Plan. The development contributions for the roding network are based on the proportion of these works that have been assessed as the result of increased demand generated by new residential, rural and non-residential development.

Council will require a contribution toward:

- A share of the cost of new or upgraded roads or access where additional capacity is necessary to accommodate the cumulative effects of the development. The share will be calculated on the proportion of the additional capacity necessary to serve the activity or development. See Development Contributions Schedule of Fees and Charges in Appendix A of this policy.

At this stage no contribution will be required toward:

- A share of the cost of the existing roads and access where additional capacity has been increased in anticipation of future subdivision or development.

This may, however, be addressed in subsequent amendments to the Development Contributions Policy.

5.4.4 External Parking – District Wide

This will be addressed in subsequent amendments to the Development Contributions Policy.

5.5 Sewerage and Water

Developers will meet the full actual cost of the water supply or wastewater disposal system to the development.

The developer will be responsible for the full actual costs of all necessary water supply or wastewater disposal reticulation within the development for each allotment or building.

A contribution will also be imposed for each new service connection to cover:

- The full actual cost of connections between the water supply or wastewater disposal system reticulation in the development and the water supply and wastewater disposal system, and
- The full actual costs of upgrading of any existing water supply or wastewater disposal system to the extent that it is necessary to service the development, and
- A share of the costs of the existing water supply and wastewater disposal system where additional capacity has been created in anticipation of future development.
- A share of the cost of new water supply or wastewater disposal system or upgraded water supply or wastewater disposal system where additional capacity is required by the cumulative effects of the development of an area.

See Development Contributions Schedule of Fees and Charges in Appendix A of this policy.

The contribution may, at the Council's discretion, be required in the form of cash, land, works, services or any combination of these. In assessing the level of contribution, regard shall be had to the level of works and services to be provided by the applicant to address any increase in demand on infrastructure.

The payment is subject to whether the new activity or development is able to connect to the service system.

Any development outside a constituted water supply or sewerage drainage area has not been anticipated as part of the existing reticulation network. Any request to extend a constituted water supply or sewerage drainage area to incorporate a development, or any request to create a new development contribution area will need to be specifically assessed through a separate "Development Agreement".

5.6 Stormwater

There is only one distinct stormwater development contribution area in Kaikoura District, being the Kaikoura Urban Area. In other areas (outside this catchment) developers are responsible for disposing of all stormwater onsite.

A contribution will be imposed upon the area of the land, to cover:

- The full actual cost of connection to the stormwater network, and/or
- The full actual costs of upgrading of the existing stormwater disposal system to the extent that it is necessary to service the development, and/or urban area
- A share of the cost of new stormwater infrastructure where additional capacity is required by the cumulative effects of the development of an area.

See Development Contributions Schedule of Fees and Charges in Appendix A of this policy.

5.6.1 Other Areas

The developer will be responsible for the full actual costs of detaining and disposing of all stormwater within the confined of the development area.

Subsequent owners will be responsible for the full actual costs of disposing of all stormwater for each allotment or building.

5.7 Community Facilities

The existing community facilities are nearing the end of their economic life and the community is requesting that not only should these facilities be replaced to a similar standard to which they are now but should be substantially improved and enlarged to cater for the growth in Kaikoura as a place of which to live, work and play, but also to visit as a holiday destination in its own right.

The community facilities for which development contributions are levied will go toward the construction of a new library and meeting room, museum, art gallery, circulation space, indoor swimming pool, gymnasium, and multi-sport hall. These facilities will be built along with Council offices and a café in a new multi-purpose building on Council administered land on Scarborough Terrace. It is envisaged that Council will raise in the vicinity of \$7 million over the term of this plan towards the construction costs and loan repayment costs of this facility. The balance will be funded by way of property sales, loans and other fund-raising activities.

The current proposed concept has been designed so that it could be built in stages as funds become available but the long term aim is to construct a facility that the community can feel justifiably proud of for many years to come.

The contribution levied will be based on a per Household Equivalent Unit (HEU) with the fees set out in Appendix of this policy.

5.8 Refuse

There is only one landfill to service the whole district. Population and visitor growth is placing additional pressures on this site through increased household waste and demolition waste as a result of ongoing development within the community.

While the Council has a policy of zero waste to landfill and while great efforts are being made in increasing the volume of refuse diverted from land filling, increased total quantities are being deposited at the site. Over time this will lead to the site potentially filling rapidly and a new transfer station needing to be developed to move waste from the district to a regional land filling site at Kate Valley.

Development contributions are therefore being levied towards the future after-care programme which will be used to re-develop the site to a recreation reserve and also for the construction of a transfer station to sort and remove waste to go outside of the district. It is envisaged that two thirds of the funds required for this work will be raised through development contributions.

Development contribution will be based on a per Household Equivalent Unit (HEU) and is set out in the schedule of fees and charges in Appendix A of this policy.

5.9 Footpaths

Since 2005 the Council has been both developing new footpaths and upgrading existing footpaths throughout the township. It is anticipated that this work will be ongoing and that the increasing number of visitors and new home owners will continue to place pressure not only on the

existing infrastructure but will continue to demand an increased level of service.

Developers will be required to fund the total costs of footpaths within their development and this policy provides for a contribution of 10% towards the upgrading of the existing footwork network within the township. The development contribution for this will be on an Household Equivalent Unit (HEU) and is set out in the development contributions schedule of fees and charges in Appendix A of this policy.

5.10 Parks

A district network of public amenity and recreational reserve land and infrastructure will help ensure Kaikoura District is an attractive place to live, with good opportunities for passive and active recreation within a high quality environment.

Population growth places additional pressure on existing reserve land and community infrastructure, through increased use and reduction of environmental quality. Unless additional amenity and recreational reserve land and infrastructure are provided, paid for by growth, the existing population will suffer a reduced level of amenity and recreational opportunity or an increased rate burden.

For the purposes of this policy section, Kaikoura District Council amenity and recreational reserve assets have been grouped into one class:

- Parks: Reserve Land and Community Infrastructure

5.10.1 Parks: Reserve Land and Community Infrastructure

Community Infrastructure refers to the cost of providing additional improvements necessary to turn basic Parks: Reserve Land into a particular form or standard of reserve. Possible improvements include: playgrounds; public toilets; furniture; sports ground development (including higher standard earthworks, grassing, drainage, irrigation and changing facilities); gardens; trees; recreational paths and car parking.

See Development Contributions Schedule of Fees and Charges in Appendix A and D of this policy.

Parks: Reserves Land refers to the cost of purchasing land and minor improvements necessary to enable that land to function as a basic area of green open space, including earthworks and grassing.

Contributions will be taken in the form of a cash contribution and will be used to purchase land and to undertake enhancements. Within the development, the Council may allow the developer to provide land to meet recreation and conservation needs which will be credited against the required cash contribution.

For Parks: Reserve Land, the Local Government Act 2002 Section 203(1) states that development contributions shall not exceed the greater of:

- (a) 7.5 percent of the value of the additional allotments created by the subdivision; and
- (b) the value equivalent of 20m² of land for each additional household unit created by the development.

There are two distinct methodologies for determining the Parks: Reserves Contribution for developments as recognised in the Local Government

Act. One methodology deals with development where there is subdivision [S203(1)(a)] and the other where there is residential development where there is no subdivision [S203(1)(b)].

Development Contributions will be levied on non-residential development for Parks – Reserves. Council has determined that non-residential developments do increase demand on reserve infrastructure, this demand does translate into the need for additional land purchase.

See Development Contributions Schedule of Fees and Charges in Appendix A and D of this policy.

Subdivision

Four contribution categories have been identified:

- Residential
- Rural Residential
- Rural
- Commercial/Industrial

These categories recognise the different demand for recreation and amenity reserves.

Recognising the difference in demand for these areas Council has adopted different contribution rates for each of the categories:

Contribution Category	Description	Development Contribution Rate
1	Residential	2.5% of the value of each additional lot of subdivision.
2	Rural Residential	1% of the value of each additional lot of subdivision.
3	Rural	0.5% of the value of each additional lot of subdivision.
4	Commercial/Industrial	0.5% of the value of each additional lot of subdivision.

The value of each allotment will be assessed up to the following maximum site areas:

- Rural: 40,000m²
- Rural Residential: 6,000m²

2. Applications that change rural areas into urban developments with reticulated services will end up as future service catchments, and consequently will be considered under the provisions of Contribution Category 1.

Residential non-subdivision:

The Development Contribution for Parks where there is no subdivision will be assessed as the value equivalent of 20m² of land for each additional HEU created. This will be applied up to a maximum contribution, equivalent to 2.5% of the value of the allotment.

As explained in Section 3.3, for commercial accommodation the number of HEUs is calculated by using a Household conversion factor of 0.22.

5.10.2 Valuing of Land

Development Contributions will be payable in cash. All land requirements for reserves purposes will be obtained through sale and purchase agreements outside of this development contributions policy. Council may use structure plans and where appropriate, designation processes under the RMA to identify future reserve requirements.

Council may, by resolution, accept or require a contribution to the equivalent value in the form of land or infrastructure. In some cases, for example, it may be appropriate to allow reserve assets to vest in Council through the subdivision consent process, where they meet Council's reserve network requirements, and to credit them against the Development Contribution required.

Where the Development Contribution is to be in cash, the amount will be established by registered valuer's report on the anticipated sale value of the additional lots created by a subdivision, or on the basis of 20 square metres of land (within the development) for each additional household units created (with final calculation of the contribution to occur at the time the consent is issued – see Section 3.9.2).

Where the Development Contribution is to be in land or infrastructure, the value of the land and infrastructure to be vested will be established on the basis of a registered valuer's report and substantiated prices prior to purchase and installation.

Registered valuer's reports shall be no older than 3 months and produced at the developers cost.

APPENDIX A: Development Contribution Schedule of Fees & Charges (Exclusive of GST)

Table 1: External Roding District Wide

Area	Development Contributions (per HEU)
District Wide	\$1,258
Commercial Accommodation	\$277 per single bed

Table 2: Water and Wastewater

Development Contribution Area	Water Contribution	Wastewater Contribution
Kaikoura Urban	\$2,786 Per HEU	\$3,376 Per HEU
Kaikoura Suburban	\$1,195 Per unit of water	
Kincaid Scheme	\$885 Per unit of water	
Fernleigh Scheme	\$1,000 Per unit of water	
East Coast Scheme	\$1,000 Per unit of water	
Oaro Scheme	Per HEU	
Peketa Scheme	\$800 Per HEU	
Commercial Accommodation	\$613 per single bed	\$743 per single bed

Table 3: Stormwater

Area	Development Contribution
Kaikoura Urban	\$98 per HEU
Commercial Accommodation	\$22 per single bed

Table 4: Parks, Reserves & Community Infrastructure

Contributing Category	Development Contributions % of Land Value
Residential	2.5%
Rural	0.5%
Industrial/Commercial	0.5%
Rural Residential	1%

Table 5: Community Facilities

Contributing Category	Development Contribution per HEU
Residential	\$7,142 per HEU
Commercial/Industrial	As per roading HEU equivalent
Rural Residential	\$7,142 per HEU
Rural	\$7,142 per HEU
Commercial Accommodation	\$1,571 per single bed

Table 6: Footpaths

Area	Development Contribution per HEU
Kaikoura Urban	\$72
Commercial/Industrial	As per roading HEU equivalent
Commercial Accommodation	\$16 per single bed

Table 7: Refuse/Recycling

Area	Development Contribution per HEU
Kaikoura Urban	\$243
Rural Residential	\$243
Rural	\$243
Commercial Industrial	As per roading HEU equivalent
Commercial Accommodation	\$53 per single bed

APPENDIX B: Development Contributions Calculation – Examples

Example 1 – Residential Subdivision

Proposal: One residential lot subdivided into 2 new sections.

Location: Kaikoura Urban.

Value of additional allotment \$100,000 (Including GST).

As per section 2.3.1, a full credit is given for the existing household unit (residual title) and the Development Contribution is only calculated on the additional household unit (on the new title).

Household Equivalent Units	Activity/Service	Contribution
1	Roading	\$1,258
1	Water	\$2,786
1	Wastewater	\$3,376
1	Stormwater	\$98
1	Footpaths	\$72
1	Community Facilities	\$7,142
1	Refuse	\$243
	Sub-Total (ex GST)	\$14,975
	GST	\$1,872
	Sub-Total (inc GST)	\$16,847
1 (Valuation \$100,000)	Parks: Reserves using LGA 2002 S203(1)(a) (Inc GST)	\$2,500
	TOTAL (inc GST)	\$19,347

Total development contribution payable by developer is \$19,347 (incl GST)

Example 2 – Residential Unit Title Development – Land Use Consent

Proposal: A unit title apartment complex (4 units) developed on an existing residential section.

Location: Kaikoura Urban.

Value of each Apartment unit \$350,000

Size of existing Section 1500m²

Valuation of Land: \$135m²

As per section 2.3.1, a full credit is given for the existing household unit (residual title) and the Development Contribution is only calculated on the additional three household units (on the new titles).

Household Equivalent Units (min of 1 HEU for each Activity or Service)	Activity / Service	Contribution
3	Roading	\$3,774
3	Water	\$8,358
3	Wastewater	\$10,128
3	Stormwater	\$294
3	Footpaths	\$216
3	Community Facilities	\$21,426
3	Refuse	\$729
	Sub-Total (excl GST)	\$44,925
	GST	\$5,616
	Sub-Total (incl GST)	\$50,541
1 (Valuation – 20m² x \$135m² x 3 units)	Parks: Reserves (using LGA2002 S203 (1)(b) (incl GST))	\$8,100
	TOTAL (incl GST)	\$58,641

Total development contribution therefore payable by developer is \$58,641 (incl GST).

APPENDIX C: Development Contributions Funding Model

Purpose

The purpose of the funding model is to provide an equitable assessment of the funding requirements to support the Development Contributions regime. The primary output of the funding model is an assessment of the required development contributions charges.

The model takes account of:

- The funding requirements to support the cost of growth infrastructure.
- Equitable application of those funding requirements to the incoming growth community.
- Recognition that the backlog components of the growth infrastructure are funded by the existing community. The rating charges applied to the existing community will also be applied to the incoming community as there is no differential rating process to exclude the incoming community from those rates charges. Therefore the resultant rating charge on the incoming community is offset against the development contribution charge.
- Interest on funds raised to implement growth infrastructure.
- Interest on contributions received in advance of provision of growth infrastructure.
- Recognition that money raised must meet the financial requirements of projects, therefore consideration is given to the effects of inflation on both the costs and the income. (Note, currently the inflation is set to zero in the model as CCI is to be added separately to the contribution rates each year.)

Background Information

For each project planned Council officers have determined the components of the project that are allocated to meeting the needs of the growth community. This allocation takes into account and deducts funds available from alternate funding sources such as Transfund. These projects are reported in development contribution areas for each service type.

For each Development Contribution Council officers have determined the anticipated number of new lots as the district expands. These are reported as Household Equivalent Units (HEU's).

Development Contributions

The development contribution will be assessed for each service type and each Development Contribution will be charged based on the number of HEUs demanded by each incoming activity.

Modelling Principles

A project cannot be considered for development contributions unless it is an approved project in the LTCCP. The LTCCP includes schedules of planned projects and in the future will include schedules of past projects with remaining capacity intended to support the new and future incoming community.

Terms and Definitions

Past growth Past expenditure	Relates to the growth capacity and cost that has been provided by past expenditure. In terms of cost it relates to actual costs incurred in past years – including the current year. In terms of demand it relates to the provided capacity for the period between implementation and the current year. (Note: Council is not proposing to recover Development Contributions for capital expenditure incurred prior to 1 July 2005.)
New growth New expenditure	Relates to the growth demand and planned costs in the ten years from the current year. Starting in year 1 – 2010 and ending in year 10 – 2019 (30 June 2019).
Future growth Future expenditure	Relates to the growth demand and planned costs in the years beyond the new growth period. Starting in year 11 – 2020. Potentially there is no end point to future growth but in practical terms it will end with the end of the funding period.
Funding period	Not less than 10 years. Otherwise lesser of asset capacity life, asset useful life, or 30 years.

Notes

- Year will be end year; i.e. 2009/2010 will be listed as 2010.
- Past expenditure will be actual cost of the project. These costs will not be inflation adjusted.
- Interest on past expenditure will be based on the typical average interest rate for either borrowing or lending in each year since the past expenditure was incurred.

Expenditure

Expenditure will be assumed to occur in the year identified in the LTCCP or its amendments.

Development Contribution

For each project the development contribution capital charge for each incoming HEU is assessed as the gross cost of growth (including allowance for interest, inflation, rate income, incoming population trends, etc.) divided by the number of HEUs incoming from year 1 to the end of the funding period for that project.

The gross cost of growth is determined based on the assumption that at the end of the funding period the remaining debt will be zero.

The development contribution for each service group and each Development Contribution area is the sum of the development contributions for each project in the service group and Development Contribution area.

APPENDIX D: Non-Residential HEU Conversions

Wastewater Non-Residential HEU Conversions

Kaikoura District Council District Subdivision Code of Practice Design Standard: 1000 litres/household/day (1m³/lot/day)

Land use Description	District Design Std(Litres/Day)	Units	HEUs
Commercial	200	100m ² GFA	0.2
Industrial	200	100m ² GFA	0.2
Retail	266	100m ² GFA	0.26

Water Non-Residential HEU Conversions

Kaikoura District Council Urban Water Supply Upgrade Officers Report 2000: 1930 litres/household/day – 1.9m³/lot/day

Land use Description	District Design Std (Litres/Day)	Units	HEUs
Commercial	210	100m ² GFA	0.1
Industrial	210	100m ² GFA	0.1
Retail	280	100m ² GFA	0.13

Roading Non-Residential HEU Conversions

Land Use	VPD	HEUs
Commercial	13.6	1.36
Industrial	13.6	1.36
Retail	24.0	2.40

VPD – Vehicles per day

Vehicles per Day

In using vehicles per day, consideration should be given to:

- (1) The end destination and sole purpose of the trip is to that activity
Therefore VPD rate is at 100%
- (2) Trip is made as one of a number of linked trips
Therefore VPD rate is at 25%
- (3) Trip is made but only because the route goes past that location
Therefore VPD rate is at 5%

Notes

- Minimum of 1 HEU per additional allotment
- All units per 100m² of gross floor area

Parks: Reserve Land and Community Infrastructure HEU Conversions

Development Contributions will be levied on commercial, industrial, retail and non-residential development. This will be levied as a percentage of the capital value of the project. The levy rate shall be half of one percent, for both Parks Reserve Land, and Parks Community Infrastructure.

APPENDIX E: Kaikoura District Growth

Despite the current uncertainty within the economy, there are currently subdivision consents granted and yet to be given effect to, for around 350 titles, plus a further known 270 titles in resource consents yet to be granted. Discussions held with these developers suggest that there remains strong confidence that these subdivisions will go ahead, however there remains a question mark over the timing of these, and Council assumes these will not take place until 2011/2012.

Council considers that there could potentially be another 280 titles created that are yet to be presented to Council during the latter half of the ten-year period contained within this long term plan. Therefore Council continues to predict 900 new titles will be created within the ten-year period from 2009 to 2019, but that of this perhaps only 35 new dwellings per year will be built. Many of the remaining titles may potentially relate to unit-title apartments, the proposed business park, and other like developments.

Residential Development

The growth proposed is based on a combination of historic development patterns, overlaid with projections for significant greenfields developments, for example, Ocean Ridge and Seaview.

These Greenfield development proposals are in some cases either already known to Council, or are the subject of ongoing discussions with the developers and land owners concerned. Council has evaluated these proposals (including considering the commitment and capabilities of those developers), and is satisfied that they represent the best available growth information for those areas.

Greenfield development is seen as the predominant form of future development. This is because there is limited scope for infill within the existing urban area. There is the potential for some additional sections in South Bay and within the existing township. The balance will have to come from Greenfield sites.

Two other possible approaches were considered (but disregarded) for modelling future residential growth:

- Statistics NZ population projects; and
- Extrapolations from existing building and subdivision consent data.

Statistics NZ data shows that the Kaikoura District was home to approximately 3,621 people in 2006. Statistics NZ population projections for the area over the 20-year period from 2001-2021 show only a minor population increase is anticipated. However, the census provides only a partial picture of the ‘usually resident’ population of the district, and does not take account of the number of people staying in the district during the peak tourism season, or the projected future demand for land and infrastructure services. This means that the land/building “footprint” in urban areas is outstripping population growth.

Building activity and subdivision data presents an alternative picture of land demand, and relates more closely to the increased demand for Council services. Discussions with developers have signalled ongoing future growth in residential greenfield developments, with the timing of these expected to occur from 2012 onwards.

There is currently the equivalent of 250 new sections going through the resource consent process at present and the demand for new sections appears to be unabated. Nine hundred new sections over 10 years is therefore seen as very attainable.

APPENDIX F: Capital Expenditure

The following table summarises the capital expenditure identified in the Long Term Council Community Plan 2009-2019 that Council expects to incur to meet the increased demand for community facilities resulting from growth.

Council has determined to use the funding sources stated as the most appropriate source of funds for each of these capital projects, to most equitably match the distribution of benefits to groups and/or individuals, and to make the optimum use of alternative sources of funding such as subsidies, grant funding, and development contributions where appropriate.

Council's Development Contributions Policy was first adopted in June 2004, and provided for several other capital projects, such as footpath and street light upgrading, and oxidation pond upgrading. This work has subsequently been completed, so does not appear on the table of capital expenditure. However, loans have been raised to complete that work, and development contributions are collected to meet the cost of loan servicing.

	Total Estimated Cost \$	Funding Sources		
		Subsidies	Development Contributions	Grants & Other
Roading				
Seal Extensions	1,000,000		50%	50%
Footpaths	623,297		10%	90%
Kaikoura Township Water Services				
New Main Line	622,635		80%	20%
Reservoirs	1,111,260		80%	20%
Kincaid Water Services				
Treatment	56,160		70%	30%
Intake Gallery	48,361		70%	30%
Reticulation	186,900		70%	30%
Sewerage & Stormwater				
2 nd Aerator	325,000		100%	
Mainline Mill Rd	1,143,000	50%	50%	
Stormwater	269,000		100%	
Refuse & Recycling				
Collection Point	228,600		60%	40%
Aftercare	125,000		50%	50%

	Total Estimated Cost \$	Funding Sources		
		Subsidies	Development Contributions	Grants & Other
Community Facilities				
Playgrounds	155,324		50%	50%
Public Toilets	42,040		50%	50%
Land Purchases	645,700		50%	50%
Coastal Strategy (Areas 1 to 7)	1,066,620		100%	
Coastal Strategy (Areas 8 to 10)	327,000		80%	20%
Museum	920,700		80%	20%
Foyer & Circ Space	1,320,750		20%	80%
Swimming Pool	5,957,500	10%	50%	40%
Gymnasium	1,269,450		50%	50%
Multi Sports Hall	3,324,750		50%	50%

Glossary of Terms

Backlog	That portion of a project that relates to historical catch-up to meet the required level of service for the existing community.	Current Year	The current year is 2008/2009 (called 2009) and year 1 of the Development Contributions Policy is 2009/2010, called 2010.
Base Units	The demand of an average household unit for each service.	DC	Development Contribution.
CCI	Construction Cost Index.	Development	Any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure (but does not include the pipes or lines of a network utility operator).
Commercial	Any activity, whether temporary or permanent, involving payment, exchange or other consideration.	Development Agreement	Any private agreement signed between a Developer and Kaikoura District Council.
Community Facilities	Libraries, Halls, Community Centres, Swimming Pools, Sports Complexes, Gymnasiums for which Development Contributions may be required.	Development Contribution	Separate development contribution areas exist for each
Community Infrastructure	Land, or development assets on land, owned or controlled by Kaikoura District Council to provide public and community facilities and amenities, including land that the Council will acquire for that purpose.	Area	asset category. For some assets, e.g. roading the development contribution area is district wide, for asset categories such as stormwater, water and waste water development contribution areas are based upon existing “constituted service catchment” areas as identified on the maps appended.
Cost Allocation	The allocation of the capital costs of a project to the various drivers for the project, such as renewal, catch-up (backlog), and additional capacity to meet growth.	Financial Contributions	These are provided for by the Resource Management Act (RMA) and Council’s policy is set out in section 5 of the Proposed District Plan. A Financial Contribution is a contribution from developers of cash, land, works, services or a combination of these. Financial Contributions are used to offset or mitigate the adverse impacts on the natural and physical environment including utility services, of a new development.
CPI	Consumer Price Index (for avoidance of doubt this excludes credit).		
Credits	Where development contributions or financial contributions for a particular property have previously been assessed and paid, credit to that amount will be given for the particular activity.		

Funding Model	The funding model ensures an equitable assessment of the funding requirements to support the Development Contributions regime. The primary output of the funding model is an accurate assessment of the required Development Contribution charges.	Level of Service (LOS)	The standard of service provision for assets.
Funding Period	Not less than 10 years. Otherwise lesser of asset capacity life, asset useful life, or 30 years.	LGA	Local Government Act 2002.
GFA	Gross Floor Area	Lot	Lot is deemed to have the same meaning as “Allotment” under both the Local Government Act 2002, and the Resource Management Act 1991.
Growth	Growth means the increase in capacity of network and community infrastructure external to the boundaries of the development site required to service that development.	LTCCP	Long Term Council Community Plan
Growth Model	For each Development Contribution area the Council has determined the population changes anticipated as the district expands. These are reported as “Household Equivalent Units” (HEUs).	New Expenditure	Relates to the growth demand and planned costs in the ten years from the current year. Starting in year 1 – 2009 and ending in year 10 – 2019.
GST	Goods and Services Tax	Past Expenditure	In terms of cost it relates to actual costs incurred in past years – including the current year. In terms of demand it relates to the provided capacity for the period between implementation and the current year.
HEU	Household Equivalent Unit. A type of “unit of demand” that relates to the typical demand for infrastructure by an average household.	Parks: Community	This refers to the cost of providing additional improvements necessary to turn basic reserve land into usable reserves such as:
IFA	Area of impervious surfaces to be drained to the reticulated stormwater network.	Amenity Reserves	generally small areas of scenic or recreation reserve that are intended primarily to “beautify” an urban area.
Industrial	Activities including associated land, infrastructure and buildings used for the manufacturing, fabricating, processing, packing or storage of goods, substances, energy or vehicles, and the servicing and repair of goods and vehicles whether by machinery or hand.	Neighbourhood Reserves	– small to medium sized areas of scenic or recreation reserve that are intended primarily to preserve natural features or provide for informal local passive and active recreation.
		Parks/Domains	Larger scenic or recreation reserves intended primarily to provide for passive recreation with a feeling of remoteness from urbanity and more formal active recreation and events;

Parks: Reserve	This refers to the cost of purchasing land and minor improvements necessary to enable that land to function as a basic area of green open space, including earthworks and grassing.	Sports grounds	Larger recreation reserves intended primarily to provide for formal sporting activities and events.
Reductions	A reduction is an adjustment to the HEUs assessed for a consent application. A reduction will only be considered as part of a review requested by an applicant.	Subdivision	Subdivision is deemed to have the same meaning as “Subdivision” under the Resource Management Act 1991.
RMA Remissions	Resource Management Act 1991 A remission is an adjustment to the scheduled charges for a particular activity and catchment as a percentage or in dollar terms. Remissions will only be invoked as a resolution of Council.	Urban Area	The urban area within the Kaikoura township as defined by Council’s Rating Information Database
Renewal	That portion of project expenditure that has already been funded through depreciation of the existing asset.	VPD	Vehicles Per Day.
Residential	The use of land and buildings by people for accommodation purposes, including unit/strata title development and commercial accommodation.		
Retail	The use of land, a building or parts of a building where goods are sold or displayed for sale, by retail, or are offered for hire.		
Rural	Rural is deemed to have the same definition as Rural in the Kaikoura District Councils rating policy.		
Rural Residential	Properties outside of the Urban Area of less than 5ha containing, or intending to contain, a dwelling		
Service Connection	A physical connection to a service provided by, or on behalf of Kaikoura District Council.		

Environmental and Social Sustainability Policy

Kaikoura District Council is guided by the principles of Agenda 21 to sustain the social, economic and environmental well being of the community now and for future generations.

Policy Statement

This policy has been adopted by Kaikoura District Council to assist in the implementation of the councils Agenda 21 strategy. This policy is further supported by an environmental and social sustainability planning system and the Kaikoura Tourism Strategy, which outlines specific actions for achieving our objectives.

In the development of this policy, regard has been given to the World Tourism Organisation's global code of ethics for tourism, with particularly regard given to those articles of the code that the Kaikoura Tourism Strategy does not give regard to.

Kaikoura District Council undertakes to review this policy annually and to make the policy available to and communicate it with all stakeholders, members of the general public, employees, customers and suppliers of goods and services of the Council. It will also put in place systems for regularly recording sustainability performance and supply this information annually to Green Globe 21.

- Kaikoura District Council will take into account all relevant national and international environmental and sustainable legislation, strategies, agreements, policies and treaties;
- Kaikoura District Council is committed to achieving local community sustainability and will take all practicable steps to reduce adverse effects of activities and improve environmental, economic, social and cultural outcomes;
- Kaikoura District Council agrees to work towards continuous improvement of all Green Globe 21 benchmark indicators so that they are above the Green Globe 21 best practice level and to take steps to ensure that any indicator falling below best practice level are restored to above best practice levels as soon as practicable;
- Kaikoura District Council is committed to achieving sustainable environmental and social community performance outcomes in an integrated manner through the development of a broad range of inter-sectorial partnerships with any relevant organisation, group or individual;
- Kaikoura District Council is committed to the participation by Kaikoura's community in the process of achieving environmental and social sustainable performance outcomes and for ensuring that those responsible for environmental or social sustainable performance are accountable for their actions;

- Kaikoura District Council will endeavour to minimise the creation of all forms of waste and will, at all times, view waste as a resource with the potential for reuse and recycling;
- Kaikoura District Council is committed to responsible energy management in order to minimise greenhouse gas emissions;
- Kaikoura District Council will encourage the protection of significant ecosystems and expansion of biodiversity;
- Kaikoura District Council will make sustainable use of natural resources and will conserve non-renewable resources through efficient use and careful planning;
- Kaikoura District Council will encourage minimal and wherever possible the elimination of any pollutant that may cause environmental damage to the air, land or water;
- Kaikoura District Council will encourage environmental awareness by providing information and training both within the Council and the wider community and will provide information on and encourage the use of environmentally friendly products;
- Kaikoura District Council is an equal employment opportunities employer and makes a commitment to the employment of community based people or people living in nearby communities, if their skills exceed or are equal to those required by the vacant position;
- To reduce the adverse environmental, and social effects of moving goods and services around the world, Kaikoura District Council will source goods and services whose origins are as close as possible to the local community, as long as this does not adversely affect the council's activities or have a negative environmental, social or economic impact;
- Kaikoura District Council will work with contractors and consultants involved in the Council's activities to ensure that the consultants and contractors activities and practices are sustainable and integrate with those of Kaikoura District Council.

Equal Employment Opportunities Policy

The Principle

Recruitment and selection of staff, opportunities for training, promotion and conditions of employment will be undertaken or offered without preference being given on the basis of gender, sexual orientation, marital status, religious or ethnic belief, race, ethnic or national origins, and regardless of any disability which is relevant to an individual's ability to carry out the job.

Policy Statement

All employment policies and practices will comply with the provisions of the Human Rights Commission Act, the Equal Pay Act, and the Local Government Act 2002.

Recruitment policies and practices will be altered where necessary to ensure that people are encouraged to apply for vacancies regardless of gender, sexual orientation, marital status, religious or ethnic belief, race, ethnic or national origins, and regardless of any disability which is relevant to an individual's ability to carry out the job.

Selection decisions will be made on merit, taking into account the qualifications, history, and other experience relating to the position to be filled.

Opportunities for training and promotion, remuneration and termination of employment will be made in light of the principle as above.

Where appropriate, Council will either undertake or encourage staff to take special training courses to assist specific groups or employees to train for and apply for positions for which they might not otherwise apply.

