



## Part 5: Policies

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- **Revenue and Financing Policy**
- **Rates Remission and Postponement Policies**
- **Engagement and Significance Policy**
- **Statement on Contributions to Decision-Making Processes by Māori**

## Revenue and Financing Policy

1. The Revenue and Financing Policy provides a summary of Council's funding policies in respect of both operating expenses and capital expenditures. Council reviews its funding policy at least every three years. The last review was completed prior to the initiation of the 2018-28 Long Term Plan (LTP), and changes adopted are detailed in paragraph 12.
2. Sources of funds available to Council are as follows:
  - General rates.
  - Targeted rates.
  - Lump sum contributions.
  - Fees and charges.
  - Interest and dividends from investments.
  - Borrowing.
  - Proceeds from asset sales.
  - Development contributions.
  - Financial contributions.
  - Grants and subsidies.
  - Other sources permitted by statute.
3. Council's Revenue and Expenditure Policy deals with the revenue and financing mechanisms at a "Sub-Activity" level. Sub-Activities are a sub-set of "Activities", which in turn are a sub-set of "Activity Groups" using two examples:
  1. *One of Council's Activity Groups is "People".  
One of People's Activities is "Community Support".  
One of Community Support's Sub-Activities is "Grants and Donations".*
  2. *One of Council's Activity Groups is "Community Facilities".  
One of Community Facilities' Activities is "Reserves".*
4. In determining which funding sources were appropriate, Council gave consideration to the following matters in relation to each activity to be funded:
  - The community outcomes to which the activity primarily contributes;
  - The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
  - The period in or over which those benefits are expected to occur; and
  - The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
  - The costs and benefits, including consequences, for transparency and accountability, of funding the activity distinctly from other activities; and
  - 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.
5. Prior to determining the "Residual amount to be funded by General-type Rates", Council identified all other funding sources appropriate to each activity. These other sources, and the approach taken by Council are listed in the paragraph 9 table, which highlights the funding sources for every Council activity and any sub-activity which may exist. The table shows the rating tools which Council has determined to be fair and equitable for each activity.

### *Fees and Charges*

These have been set at a level to recover private benefits where it is practical and economic to do so, unless there have been determinations arising from previous funding reviews to fund all or part of such benefits from rates.

### *Grants and Subsidies*

These are sought and applied for whenever they are available.

### *General Revenues*

These are allocated to geographic rating areas in proportion to the gross general-type rates and charges.

### *General-Type Targeted Rates and Charges*

The proportion of each activity's costs to be met from general-type targeted rates and charges is detailed in Table 9. The allocations in that table reflect Council's assessment of the benefits which should be funded by land value rates, and the benefits which should be funded by uniform annual charge. In these instances Council believe separate general targeted rates and charges are the most equitable funding mechanism based on the benefits assessed for each targeted geographic area.

Separate differential categories are utilised for general-type rates and charges, and these are specified in each year's Funding Impact Statement. Council currently has six geographic areas and three categories of land use for each of these areas.

**Separate Targeted Rates and Charges**

Targeted rates and charges are levied to meet the full cost of water and sewerage schemes, refuse and recycling collections, defined roading improvements, defined marketing and tourism activities, and for other services where Council has been requested to levy such rates. In these instances Council believe separate targeted rates are the most equitable funding mechanism based of the benefits assessed for the targeted area.

Council has adopted differential land value rates to fund the debt servicing requirement of the Combined sewerage and water schemes, which takes account of the median land values for each scheme; and of funding operating costs by way of a common uniform annual charge for the Combined sewerage scheme and a differential uniform annual charge for the Combined Water Scheme. The most significant benefits derived from these combined single sewerage and water funding schemes are a smoothing of rating spikes in smaller schemes and better cash flow management through the timing of capital works.

**Note:**

The combined sewerage and water rates and charges do not include the initial debt servicing requirements for any new schemes not paid by lump sum contributions.

6. The following explanations will give readers an understanding of terminology used in this policy statement. Unless otherwise specified, the term:
  - Uniform Annual Charge (UAC) or Charge refers to a targeted rate of a uniform amount calculated on each separately used or inhabited part of every rating unit; or for some charges, on every rating unit.
  - General-type targeted Rates are rates that are targeted to a particular geographic rating area or a differential rating area group. (These rates are based on the land value of each property).
  - General-type targeted Charges are charges that are targeted to a particular geographic rating area. (These charges are set differentially for the six geographic areas as a fixed amount on every separately used or inhabited part of a rating unit).
  - Separate targeted Rates are rates that are targeted to a particular area of benefit. e.g. Water, Sewerage. (Separate targeted rates are based on

the land value of each property other than Wairau Valley River Works Rates and the Kenepuru Road Rate which are levied on capital value, or the Southern Valleys' Irrigation Loan Rate and the Flaxbourne Community Irrigation Scheme Loan Rate which are based on irrigable hectares) or the Energy Efficiency rates which are based on the service amount.

- Separate targeted Charges are charges that are targeted to a particular area of benefit e.g. Water, Sewerage.
- Land values, capital values or rating units refers to rateable land values, rateable capital values or rateable rating units as the case may be.
- Residual Rate Funding Percentages refer to the residual amount to be funded, after allowance for sources of funds other than rates.
- Funding relationship weightings refer to a methodology for allocating the various general-type rates and charges where the highest weighting is always expressed as 100.
- (Where a weighting shows as zero, there is no contribution from that area, but where a weighting shows as a number between zero and 100 (e.g. 85), that area will pay a rate or uniform charge (as the case may be) of 85% of any area that has a weighting of 100.
- If all areas have a weighting of 100, the rate in the dollar or uniform charge (as the case may be) will be the same for all areas).
- Council has the following definition to determine what constitutes a "separately used or inhabited part of a rating unit":

Definition

- A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner or a person other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

For the purposes of this definition:

- A SUIP includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.
- A rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

- Vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

Examples of the application of the definition

- Where a rating unit has two separately used parts, whether or not actually occupied at any particular time, they will be treated as two SUIPs.

Residential	Residential	= 2 SUIPs
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- Where a rating unit contains both a commercial or industrial type use, and a residential or rural type use they will be treated as two SUIPs.

Commercial or Industrial	Residential or Rural	= 2 SUIPs
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- Where a number of different businesses are located on one rating unit, each separate business will be assessed as a SUIP.

Commercial	Commercial	= 2 SUIPs
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Exceptions to the definition

- Predominantly residential rating units where the owner of the unit resides and operates a business (including a homestay or farmstay activity) from the same rating unit will be charged as being one SUIP.

Owner operated business	Predominant Use – Owner occupied residential	= 1 SUIP
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- Where two dwellings are located on a farm, vineyard, forestry or horticultural block, the first dwelling is considered an integral part of the farm, vineyard, forestry or horticultural block and every additional dwelling is assessed as a SUIP.

Two Residential	Rural	= 2 SUIPs
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- Motels, and hotels used for commercial rental and dwellings used by owners or managers of a hotel or motel are treated as one business use even though each accommodation unit may be capable of separate use.

Motel	Dwelling	= 1 SUIP
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- The Council has adopted the following differential rating categories for general-type rates:

**Residential or Rural**

All land used for a private residence and all land used for rural purposes. "Private residence" excludes rest homes and residential establishments that provide residential care. It also excludes all forms of commercial accommodation.

"Rural purposes" means any agricultural, horticultural or pastoral purpose and includes the keeping of bees, poultry or livestock. This group will include all rating units not otherwise categorised within a specified differential category.

Forestry is included in this category for the purposes of the General Works and Services Rate.

**Commercial or Industrial**

All land used for a commercial or industrial purpose. "Commercial purposes" includes but is not limited to, any trade or service or activity undertaken or provision of facilities, by any person with a view to making a profit irrespective of whether a profit is actually made, or charging any fee or deriving any other consideration in relation to the trade or service or activity or provision. "Industrial" includes a business, manufacturer, undertaking, or service associated with the production of any type of goods. For the purposes of the General Works and Services Rate, this differential category includes residential rest homes and residential establishments that provide residential care and all forms of commercial accommodation as well as rating units otherwise assessed as "utilities".

Commercial accommodation includes but is not limited to the provision of accommodation for a fee or other consideration with the exemption of:

- Properties where the principal purpose is the provision of longstay accommodation ie: 28 days or more.
- Properties that provide accommodation for five or less people.
- Properties that were originally constructed as residential properties that provide accommodation for six or more, which are included in the homestay or farmstay category.

**Homestay or Farmstay**

Includes all rating units that are used for a homestay or farmstay activity on land predominantly used for residential or rural purposes, where a Building Act or Resource Consent was required for such a use.

## Revenue and Financing Policy

### *Utilities*

Land used for an essential service such as water, electricity, gas, telecommunications or sewerage.

### *Multiple Land Uses*

The Council will partition a rating unit where there are two or more land uses that fit into different differential rating categories except for predominantly residential properties where the owner of the commercial/industrial operation resides on the same rating unit.

### *Property Valuation System*

7. Independent property valuations are provided to Council, under contract, by Quotable Value Ltd. The Marlborough District was last revalued on 1 July 2017 and the new values apply from the 2018-19 rating year.

### *Compliance with Financial Management Requirements*

8. The “Activities” that comprise the eleven “Activity Groups” of People, Community Facilities, Roads and Footpaths, Flood Protection and Control, Sewerage, Stormwater Drainage, Water Supply, Solid Waste Management, Environmental Management, Regulatory and Regional Development are listed in the following tables together with a summary of Council’s consideration of whether activities contribute to Council outcomes:

8.1 *Operating Expenses Funding Policy*

The following table summarises Council’s possible Operating Expenses Funding Policy at an Activity level:

Group	Activities	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
People	Democratic Process	Yes	No	Yes	No	No	No	Yes	Yes
	Culture and Heritage	Yes	No	Yes	No	No	No	Yes	Yes
	Housing for Seniors	No	Yes	No	No	No	No	Yes	Yes
	Community Support	Yes	Yes	Yes	No	No	No	Yes	Yes
	Library Services	Yes	Yes	Yes	No	No	No	Yes	Yes
	Emergency Management	Yes	No	Yes	No	No	No	Yes	Yes
Community Facilities		Yes	Yes	Yes	No	No	No	Yes	Yes
Roads and Footpaths		Yes	Yes	Yes	No	No	No	Yes	Yes
Flood Protection and Control		Yes	Yes	Yes	No	No	No	Yes	Yes
Sewerage		Yes	Yes	No	No	No	No	Yes	Yes
Stormwater Drainage		Yes	Yes	Yes	No	No	No	Yes	Yes
Water Supply		Yes	Yes	No	No	No	No	Yes	Yes
Solid Waste Management		Yes	Yes	Yes	No	No	No	Yes	Yes
Environmental Management	Environmental Policy	Yes	No	Yes	No	No	No	No	Yes
	Environmental Science and Monitoring	Yes	Yes	Yes	No	No	No	Yes	Yes
	Resource Consents	Yes	Yes	Yes	No	No	No	No	Yes
	Environmental Protection	Yes	Yes	Yes	No	No	No	No	Yes
Regulatory	Biosecurity (Pest Management)	Yes	Yes	Yes	No	No	No	Yes	Yes
	Building Control	Yes	Yes	Yes	No	No	No	No	Yes
	Environmental Health	Yes	Yes	Yes	No	No	No	No	Yes
	Animal Control	Yes	Yes	Yes	No	No	No	Yes	Yes
	Harbours	Yes	Yes	Yes	No	No	No	No	Yes
Regional Development		Yes	Yes	Yes	No	No	No	Yes	Yes

8.2 *Capital Expenditure Funding Policy*

The following table summarises Council’s possible Capital Expenditure Funding Policy at an Activity level: The utilisation order of the various funding sources is detailed in paragraph 10 Funding of Capital Requirements.

Group	Activity	Targeted Rates	Fees and Charges	Interest and Dividends from Investments	Borrowing	Proceeds from Asset Sales	Development Contributions and/or Financial	Grants and Subsidies	Other Sources
People	Democratic Process	Yes	No	Yes	Yes	Yes	No	Yes	Yes
	Culture and Heritage	Yes	No	Yes	Yes	No	No	Yes	Yes
	Housing for Seniors	No	No	No	Yes	Yes	No	Yes	Yes
	Community Support	Yes	No	Yes	Yes	No	No	Yes	Yes
	Library Services	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
	Emergency Management	Yes	No	Yes	Yes	Yes	No	Yes	Yes
	Community Facilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Roads and Footpaths	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
	Flood Protection and Control	Yes	Yes	Yes	Yes	No	No	Yes	Yes
	Sewerage	Yes	Yes	No	Yes	No	Yes	Yes	Yes
	Stormwater Drainage	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
	Water Supply	Yes	Yes	No	Yes	No	Yes	Yes	Yes
	Solid Waste Management	Yes	Yes	Yes	Yes	No	No	Yes	Yes
Environmental Management	Environmental Policy	Yes	No	Yes	Yes	No	No	No	Yes
	Environmental Science and Monitoring	Yes	No	Yes	Yes	No	No	Yes	Yes
	Resource Consents	Yes	No	Yes	Yes	No	No	Yes	Yes
	Environmental Protection	Yes	No	Yes	Yes	No	No	Yes	Yes
Regulatory	Biosecurity (Pest Management)	Yes	No	Yes	No	No	No	Yes	Yes
	Building Control	Yes	No	Yes	No	No	No	No	Yes
	Environmental Health	Yes	No	Yes	No	No	No	No	Yes
	Animal Control	Yes	Yes	Yes	Yes	No	No	No	Yes
	Harbours	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
	Regional Development	Yes	No	Yes	Yes	No	No	No	Yes

8.3 Prior to determining the funding basis for each activity, Council gave consideration to the following matters which are summarised below at an Activity level: (Table 9 on page 311 further identifies the rate funding basis at a Sub-Activity level).

- **Community Outcomes to which Activities Contribute:**

Council Activities / Community Outcomes	Governance	Environment	People	Economy	Connectivity	Living
Democratic Process	✓		✓	✓		✓
Culture and Heritage	✓		✓	✓		✓
Community Housing	✓		✓		✓	✓
Community Support	✓	✓	✓		✓	✓
Library Services	✓		✓	✓		✓
Emergency Management	✓	✓	✓	✓		✓
Community Facilities	✓	✓	✓	✓	✓	✓
The Provision of Roads and Footpaths		✓	✓	✓	✓	✓
Flood Protection and Control Works		✓	✓	✓	✓	✓
Sewerage Including Treatment and Disposal		✓		✓		✓
Stormwater Drainage		✓	✓	✓		
Water Supply		✓		✓		✓
Solid Waste Management	✓	✓	✓	✓	✓	✓
Environmental Policy	✓	✓	✓	✓	✓	✓
Environmental Science and Monitoring	✓	✓	✓	✓		✓
Resource Consents	✓	✓		✓		✓
Environmental Protection	✓	✓	✓	✓		
Biosecurity		✓	✓	✓		✓
Building Control		✓		✓		✓
Environmental Health	✓		✓	✓		✓
Animal Control	✓	✓	✓		✓	✓
Harbours	✓	✓	✓	✓	✓	✓
Regional Development	✓	✓	✓	✓	✓	✓



- **Extent to which the Actions or Inaction of Particular Individuals or a Group Contribute to the Need to Undertake the Activity.**

<b>Democratic Process</b>	The democratic process is a public benefit available to the community at large.
<b>Culture and Heritage</b>	The Council contributes towards these activities for the benefit of all, as it views arts and culture as essential to the health and well-being of society. It believes that a strong community is knowledgeable of its heritage and also preserves and respects the achievements of the past.
<b>Housing for Seniors</b>	The social and economic position of individuals creates the need for community housing.
<b>Community Support</b>	The Council supports the community by ensuring that the public has access to a broad range of recreational, arts, cultural, social opportunities, Passenger Transport including Total Mobility and community safety thereby meeting individuals' and businesses' desire to be safe and have their assets protected. Council service costs for energy efficiency projects will be recovered over a number of years by a voluntary targeted rate on properties that obtain a service.
<b>Library Services</b>	This activity is potentially beneficial to all as it provides individuals with the opportunity to develop a lifestyle that enhances learning and creates recreational, cultural and social opportunities.
<b>Emergency Management</b>	Individual users of hazard information benefit from knowledge of hazards that directly affect them and learning how to mitigate the effects.  Regional and national communities benefit directly from the maintenance of a response capability; knowledge of hazards; and measures to mitigate and contain harmful effects.
<b>Community Facilities</b>	The Council provides community facilities to allow residents to enjoy access to a wide range of recreational, cultural and social activities.

<b>Roads and Footpaths</b>	Users of the roading network create the need for maintenance from the number of trips that are made and the type of vehicle is used. The subsidies that the Council receives from New Zealand Transport Agency are funded through petrol taxes and road user charges that reflect the volume of use by each road user. The level of subsidies received does not, however equate to the Council's view of the public/private benefit split. Hence the balance must be rate funded.  'Areas of benefit' will be established for the purpose of funding seal extensions. The 'area of benefit' will fund the cost of seal extension.
<b>Flood Protection and Control</b>	The Council plans flood protection to best to protect life and property in the floodplain and to preserve or enhance the environment and amenity values of river corridors.  The ratepayers in the floodplain (residents and businesses) in the area directly affected by the planning and subsequent works benefit directly through avoiding the risk of floods and potentially through increased property value.  Owners and providers of infrastructure (telephone, roads, rails etc) also benefit directly by avoiding damage to their assets.  Ratepayers in the surrounding economic 'catchment' adjacent to the floodplain benefit indirectly through their integration with the area affected by the flood protection scheme.  The regional community also benefits indirectly through protection of their means of access around the region.
<b>Sewerage</b>	People who are connected to the sewer schemes are creating the need for the Council to undertake work to minimise the damage to the District's waterways. It is considered appropriate for these people to fund the work through targeted rates. Developers who are adding to the demands placed on schemes which require the Council to undertake new capital works related to growth will also contribute to these costs.
<b>Stormwater Drainage</b>	Owners of developed properties require that there are systems for the collection and disposal of stormwater. Developers who are adding to the demands placed on schemes which require the Council to undertake new capital works related to growth will also contribute to these costs.

<b>Water Supply</b>	Ratepayers who are connected to the water schemes are creating the need for the Council to undertake work relating to the availability of potable water. It is considered appropriate for these people to fund the work through targeted rates. Developers who are adding to the demands placed on schemes which require the Council to undertake new capital works related to growth will also contribute to these costs.
<b>Solid Waste Management</b>	Council provides waste management services for public health reasons and to protect the environment.  Benefits apply directly to those who are in an area which has kerbside refuse or kerbside refuse and recycling collection services. The Council considers that properties that receive, or will receive, a waste collection service should be responsible for funding expenditure relating to collection and those that dispose of refuse at the transfer stations should pay a disposal fee.
<b>Environmental Policy</b>	People and organisations in the Community benefit from sound policy development, reviews and planning to enable the sustainable management of the District's resources.
<b>Environmental Science and Monitoring</b>	The Community is the primary beneficiary of this activity as the information collected provides the basis for monitoring and reporting, sound policy development, reviews and planning. It should be noted that an increasing proportion of this activity is undertaken for national benefit.
<b>Resource Consents</b>	Persons or organisations applying for services require the Council to undertake work and this is reflected in user charges with a portion of public benefit.
<b>Environmental Protection</b>	Environmental health compliance benefits all through having a clean, healthy environment.
<b>Biosecurity (Pest Management)</b>	The management of pests is essential for the District's continued prosperity, environmental sustainability and health.
<b>Building Control</b>	Persons or organisations applying for services require the Council to undertake work and this is reflected in user charges.
<b>Environmental Health</b>	Environmental health compliance benefits all through having a clean, healthy environment.
<b>Animal Control</b>	The activity protects the public from aggressive or straying animals.

<b>Harbours</b>	Recreational harbour users benefit directly by avoiding natural and other hazards e.g. collisions. They benefit directly from a clean marine environment and shorter duration of pollution. Swimmers and other recreational harbour users benefit directly from effective management of the harbour and marine environment by enjoying safe, less congested waterways and by avoiding other hazards.  Commercial shipping and commercial fishing owners and operators benefit directly by avoiding natural and other hazards e.g. collisions; they also enjoy a direct commercial benefit. They also benefit directly from a clean marine environment and through shorter duration of pollution, thus avoiding delays and loss of business.
<b>Regional Development</b>	Part of this activity is physically undertaken by Destination Marlborough and the Marlborough Research Centre Trust. Both of these organisations are Trusts to which Council makes contributions. They are important partners for the Council in assisting the District to achieve economic development outcomes, in particular attracting visitors, residents and investment to Marlborough, adding value to Marlborough enterprises and enriching the quality of life for Marlborough residents. The remainder of this activity (Economic Development, Parking and Irrigation) is provided by Council to support economic activity in the District.

• **Costs and Benefits of Funding the Activity Distinctly from Other Activities:**

<b>Democratic Process</b>	Costs associated with Democracy have been separated for reasons of transparency and accountability and is predominantly funded from general-type charges.
<b>Culture and Heritage</b>	Council funding is provided from general-type rates and charges as it is considered that all residents benefit from the well-being gained from creative pursuits and it is believed that it is beneficial to have a strong community which is knowledgeable of its heritage, and preserves and respects the achievements of the past.
<b>Housing for Seniors</b>	Appropriate rentals are set to recover the costs associated with providing community housing.

<b>Community Support</b>	Council provides grants and donations for social and community development groups and assists community groups to access funds for other (non-Council) sources. It works with specific sectors of the community including youth, and the older community, helps to provide liaison between community organisations, develops partnerships with and between central government and non-governmental organisations for the benefit and well-being of Marlborough residents and contributes to community safety. Council service costs for energy efficiency projects will be recovered over a number of years by a targeted rate on properties that obtain a service. The benefit of identifying passenger transport and total mobility distinctly is that it enables appropriate user charges to be calculated for this service. The Council accepts, however that user charges cannot fully fund the actual costs of the upkeep of the facilities and the shortfall is funded by way of general-type rates and charges and other external revenue.
<b>Library Services</b>	There is private benefit for those that use the library services, however the Council considers that there are wide community benefits from ensuring only minimal charges are imposed.
<b>Emergency Management</b>	The significance of ratepayers predominantly funding this activity is an assurance of having a safer and secure community which benefits all.
<b>Community Facilities</b>	The benefit of identifying community facilities distinctly is that it enables appropriate user charges to be calculated for applicable facilities. The Council accepts, however that user charges cannot fully fund the actual costs of the upkeep of the facilities and the shortfall is funded by way of general-type rates and charges.
<b>Roads and Footpaths</b>	This activity benefits the whole community either directly or indirectly through the transport of people and/or goods and is predominantly funded from General-type rates, subsidies and grants and other receipts.
<b>Flood Protection and Control</b>	The activity, being an essential service to the District, benefits all, although some more than others. Therefore varying rates apply across the District that take account of benefits provided.  Gravel extraction and quarry operations are 100% funded from user charges.

<b>Sewerage</b>	The benefit of funding sewerage distinctly is that only those in the area of benefit will contribute to the funding.
<b>Stormwater Drainage</b>	The benefit of funding drainage distinctly is that only those within urban drainage areas will contribute to their funding and rural drainage systems will be funded by rural areas.
<b>Water Supply</b>	Water supplies are funded distinctly from other activities because only those within the supply area fund the scheme costs.
<b>Solid Waste Management</b>	Where benefits are identified to specific users it is appropriate that user charges and targeted rates are set to match the private benefit received with the public benefit funded by general-type charges.
<b>Environmental Policy</b>	The benefit is the knowledge that the environment is being managed appropriately and concerns are being addressed. The community benefits through the sustainable management of the region's resources with some parts of the community benefiting from particular activities. As a result while the majority is funded by general type rates and charges, particular areas of benefit/individuals may be separately charged.
<b>Environmental Science and Monitoring</b>	The benefit is the knowledge that the environment is being monitored appropriately and concerns are being addressed. The community benefits through the sustainable management of the region's resources with some parts of the community benefiting from particular activities. As a result while the majority is funded by general type rates and charges, particular areas of benefit/individuals may be separately charged.
<b>Resource Consents</b>	Charges can be administered cost effectively. Funding is partly user charges and the remainder, rate funded.  There is no alternative funding mechanism that would be a reasonable substitute.
<b>Environmental Protection</b>	Charges can be administered cost effectively. Funding is partly user charges and the remainder, rate funded.
<b>Biosecurity (Pest Management)</b>	The benefit is the knowledge that Biosecurity issues are being managed appropriately and concerns are being addressed. Funding is by general-type rates.

<b>Building Control</b>	Charges can be administered cost effectively. Funding is partly user charges and the remainder, rate funded.  There is no alternative funding mechanism that would be a reasonable substitute.
<b>Environmental Health</b>	Charges can be administered cost effectively. Funding is partly user charges and the remainder, rate funded.  There is no alternative funding mechanism that would be a reasonable substitute.
<b>Animal Control</b>	Animal Control is required as a result of dog and animal ownership. In the main the activity is funded by owners and the remainder funded by roading contributions and rates.
<b>Harbours</b>	Recreational harbour users, commercial shipping and commercial fishing owners and operators benefit directly by this activity. As Port Marlborough users benefit from the activity, it is levied a charge. The balance is funded predominantly from general type rates.
<b>Regional Development</b>	The benefit of these activities is to promote the continued economic development of the District as a whole and is funded from general-type, a targeted tourism rate and parking revenue. Irrigation supply is funded distinctly from other activities because only those within the supply area fund the scheme costs.

- Overall Impact on Current/Future Social, Economic, Environmental and Cultural Well- Being of the Community:**

<b>Democratic Process</b>	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective decision making and leadership for the community, and through effective public information.
<b>Culture and Heritage</b>	The overall impact is significant in terms of promoting cultural enrichment, and giving residents the opportunity to gain valuable knowledge of their heritage.
<b>Housing for Seniors</b>	Significant impact on the social well-being of the community.

<b>Community Support</b>	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of promoting cultural enrichment and opportunities for residents to participate in community life. The health and wellbeing of the community benefits from energy efficiency initiatives.
<b>Library Services</b>	The provision of libraries contributes to the economic, social and cultural well-being of the community by providing individuals with the opportunity to enhance learning and contributes to the well being of the community.
<b>Emergency Management</b>	Significant impact on the social, economic, cultural and environmental well-being of the community through maintaining readiness to respond to adverse events, and assisting with the health, safety and well-being of the community.
<b>Community Facilities</b>	Significant impact on the social, economic and cultural well-being of the community, in terms of promoting cultural enrichment and opportunities for residents to be involved in community life.
<b>Roads and Footpaths</b>	An efficient road transport network has a significant impact on the social, economic and environmental well-being of the community.
<b>Flood Protection and Control</b>	Adequate river protection has a significant impact on the social, economic and environmental well being of the community.
<b>Sewerage</b>	Significant positive impact on the social, economic and environmental well being of the community. Treatment and disposal will protect the health of the community and the environment from adverse effects of untreated or uncontrolled effluent disposal.
<b>Stormwater Drainage</b>	An adequate drainage system has a significant impact on the social, economic and environmental well-being of the community.
<b>Water Supply</b>	Water is a necessity of life and the supply of water has a significant impact on the social, economic and environmental well-being of the community.
<b>Solid Waste Management</b>	An adequate refuse collection and disposal system has a significant impact on the social, economic and environmental well-being of the community.

<b>Environmental Policy</b>	Significant impact on the social, economic and environmental well-being of the community through protecting the sustainability of the community.
<b>Environmental Science and Monitoring</b>	Significant impact on the social, economic and environmental well-being of the community through protecting the sustainability of the community.
<b>Resource Consents</b>	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance.
<b>Environmental Protection</b>	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance.
<b>Biosecurity (Pest Management)</b>	Significant impact on the social, economic and environmental well-being of the community through protecting the sustainability of the community.
<b>Building Control</b>	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance.
<b>Environmental Health</b>	Significant impact on the social, economic, cultural and environmental well-being of the community in terms of providing effective public information and applying due diligence in processing and maintaining compliance.
<b>Animal Control</b>	The diligent policing of this activity has a significant impact on the social and economic, well-being of the community.
<b>Harbours</b>	Significant impact on the social, economic and environmental well-being of users of the waterways.
<b>Regional Development</b>	Significant impact on the social, economic, cultural and environmental well-being of the community.

• **Distribution of Benefits**

Group	Activity	District-wide	Targeted area	Individuals
People	Democratic Process	100%		
	Culture and Heritage	100%		
	Housing for Seniors			100%
	Community Support	100%		
	Library Services	20%		80%
	Emergency Management	100%		
	Community Facilities	50%	50%	
	Roads and Footpaths	80%		20%
	Flood Protection and Control	20%	80%	
	Sewerage		100%	
	Stormwater Drainage		100%	
	Water Supply		100%	
	Solid Waste Management	10%	90%	
Environmental Management	Environmental Policy	60%	20%	20%
	Environmental Science and Monitoring	60%	20%	20%
	Resource Consents	40%		60%
Regulatory	Environmental Protection	40%		60%
	Biosecurity (Pest Management)	80%	20%	
	Building Control	20%		80%
	Environmental Health	40%		60%
	Animal Control	20%		80%
Regional Development	Harbours	10%	50%	40%
	Regional Development (Economic Development, Marketing and Tourism and Research Centre)	80%	20%	
	Business Improvement District		100%	
	Regional Development (Parking)	20%		80%
	Regional Development (Irrigation)		100%	

NOTE: Benefits are expected to occur for at least the duration of the 10 year Plan, however, many extend to the life of the applicable assets or the service provided.

### 1. Funding of Expenditure by Activity

The following table illustrates how the Residual Rate funding requirement for each activity/sub-activity is proposed to be met, after provision has been made for any applicable Fees, Charges, Grants, and Subsidies; or other Direct Revenue that relates to the activity/sub-activity; and having given consideration to the matters in paragraph 8.

A separate supplementary Rate Funding Allocations report outlining “Relationship determinations, Area Funding %’s, and Geo-type Rates in \$, (or) Uniform Charge Amounts” is available on request, which provides a detailed analysis of the Geographic Rating Areas contribution to the General-type Targeted Rates and Charges; as well as the Relationship between the general-type rates and charges in those areas.

**Table 9 Residual Rate Funding Basis**

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %" "	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	
People	Democratic Process	Democratic Process (excluding Boards/Forums)		*	0	100	0	0	
		Picton Forum			0	0	0	100	
	Culture and Heritage	Arts: Marlborough Art Gallery Grants				40	60	0	0
		Arts: Other Grants				40	60	0	0
		Heritage: Marlborough Historical Society Grants				40	60	0	0
		Heritage: Other Grants				40	60	0	0
		Museums – Picton				100	0	0	0
		Museums: Renwick				100	0	0	0
		Museums – Rural				100	0	0	0
	Housing for Seniors		*		0	0	0	0	
	Community Support	Community: Grants and Donations				40	60	0	0
		Community: Recreation				0	100	0	0
		Community: Safer Community	*	*		40	60	0	0
		Community: Security Cameras				100	0	0	0
		Energy Efficiency Initiatives				0	0	100	0
		Smart and Connected Communities				40	60		
		Events Management				0	100	0	0
	Passenger Transport				100	0	0	0	
	Library Services		*		0	100	0	0	
	Emergency Management			*	40	60	0	0	

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	
Community Facilities	Cemeteries		*	*	0	100	0	0	
	Halls	Group 1 - Awarua Park			100	0	0	0	
		Group 2 - Waitaria			100	0	0	0	
		Group 3 - Gen Rural Halls			100	0	0	0	
		Group 4 - Blenheim			100	0	0	0	
		Group 5 - Fairhall Hall			100	0	0	0	
		Group 7 - Wairau Road C/Centre			100	0	0	0	
		Group 8 – Queen Charlotte College			100	0	0	0	
		Group 9 - B/Vic. Halls			100	0	0	0	
		Memorials	Cleghorn Rotunda			100	0	0	0
	Picton				100	0	0	0	
	Seymour Square				100	0	0	0	
	Town Centre Clock				100	0	0	0	
	Other				100	0	0	0	
	Public Toilets				0	100	0	0	
	Reserves	Group 1a - Bln Neighbourhood		*		1	99	0	0
		Group 1b - B/V Neighbourhood		*		1	99	0	0
		Group 2a - Ptn Neighbourhood		*		1	99	0	0
		Group 2b - P/V Neighbourhood				1	99	0	0
		Group 3 - WV Domain				1	99	0	0
		Group 4 - Bln Vicinity Domains		*		4	96	0	0
		Group 5 - Endeavour Park/Waitohi Domain		*		4	96	0	0
		Group 6 - A&P/Horton Park		*		10	90	0	0
		Group 7 - Athletic Park/Oliver Park		*		10	90	0	0
		Group 8 - Bobs Bay/Picton Foreshore etc		*		40	60	0	0
		Group 9 - Churchward Park				28	72	0	0
		Group 10 - Rural Domains		*		4	96	0	0
		Group 11 - Nelson Square				28	72	0	0
		Group 12 - Pollard/Seymour/Riverside		*		40	60	0	0
		Group 13 - Wither Walkway etc				40	60	0	0
	Group 14 - Rural Reserves				100	0	0	0	
	Group 15 - Misc Leased Reserves		*		100	0	0	0	
Street Trees, Berms and Plots					100	0	0	0	

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	
	Street Trees, Berms and Plots (Separate Targeted Rates)	Landscaping (Urban 1)			0	0	0	100	
		Landscaping (Urban 2)			0	0	0	100	
		Landscaping (Rural 1)			0	0	0	100	
		Landscaping (Rural 2)			0	0	0	100	
	Swimming Pools	Aquatic Centre	*		3	97	0	0	
		Awatere	*		3	97	0	0	
		Picton	*		3	97	0	0	
Roads And Footpaths	Subdivisional Works		*		100	0	0	0	
	Roothing Network		*	*	100	0	0	0	
	Roothing Related Works		*		100	0	0	0	
	Roads: Small Township Upgrades (Blenheim Vicinity)				100	0	0	0	
	Roads: Small Township Upgrades (General Rural)				100	0	0	0	
	CBD Works	Blenheim		*	100	0	0	0	
		Picton		*	100	0	0	0	
	Targeted	French Pass Road				0	0	0	100
		Kenepuru Road				0	0	100	0
		Other Roads (as approved)				0	0	0	100
		Other Roads (as approved)				0	0	100	0
Flood Protection and Control	Rivers in Wairau Valley District - (Separate Targeted Rate)		*		0	0	100	0	
	Rivers outside WV Rating District		*		100	0	0	0	



Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
Sewerage - (Targeted Rates)	Combined Sewerage Scheme	Capital (includes Blenheim, Grovetown, Renwick, Spring Creek, Picton, Seddon and Havelock)	*	*	0	0	100	0
		Operating (includes Blenheim, Grovetown, Renwick, Spring Creek, Picton, Seddon and Havelock)			0	0	0	100
	Loans – No Lump Sum	Grovetown Sewerage			0	0	100	0
		Renwick Sewerage			0	0	100	0
		St Andrews Sewerage			0	0	100	0
	Riverlands	Riverlands Industrial (Tradewaste)	*		0	0	0	0
Water Supply: Combined Water Scheme (Separate Targeted Rates)	Blenheim, Havelock, Picton, Koromiko and Renwick	Capital	*	*	0	0	100	0
		Metered			0	0	100	0
		UAC			0	0	0	100
	Seddon Water	Metered	*	*	0	0	100	0
		UAC			0	0	0	100
	Wairau Valley	Metered	*	*	0	0	100	0
		UAC			0	0	0	100
	Commercial Metered Water	Blenheim, Havelock, Picton, Picton Onsold, Renwick, Seddon and Wairau Valley			0	0	100	0
	Rural Awatere Water	Metered	*	*	0	0	100	0
		UAC			0	0	0	100
	Riverlands Water	Metered	*				100	

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs" %	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %	
Solid Waste Management	Blenheim/Picton (Residential) Refuse and Kerbside Recycling Collection (Separate targeted rates) and any additional areas for which the service is offered.				0	0	0	100	
	Blenheim/Picton (Residential) and Commercial/Industrial) Refuse Collection (Separate targeted rates) and any additional areas for which the service is offered				0	0	0	100	
	Sounds Area Waste Projects				0	100	0	0	
	Landfills, Transfer Stations, Waste Minimisation			*		0	100	0	0
Environmental Management	Environment Policy				80	20	0	0	
	Environment Science and Monitoring			*	80	20	0	0	
	Resource Consents	Resource Consents		*		100	0	0	0
		Hearings		*		0	100	0	0
		Legal Section				100	0	0	0
Environmental Protection			*		100	0	0	0	
Regulatory	Biosecurity (Pest Management)	Biosecurity: Regional Pest Control		*	*	100	0	0	0
		Bovine TB Control		*	*	100	0	0	0
	Building Control	Building Control		*		100	0	0	0
		LIM Section		*		100	0	0	0
		Pool Inspection				0	0	0	100
	Environmental Health			*		0	100	0	0
	Animal Control	Dog Control		*		100	0	0	0
		Other Animal Control		*		100	0	0	0
Harbours			*		100	0	0	0	
Regional Development	Parking	Blenheim		*		100	0	0	0
		Picton		*		0	100	0	0
	Economic Development					100	0	0	0
	Events					100	0	0	0
	Business Improvement District					0	0	100*	100**
	Marketing and Tourism					100	0	0	0
	Tourism (separate targeted rates)					0	0	0	100
	Research Centre					100	0	0	0
	Flaxbourne Irrigation	Capital – No Lump Sum			*	0	0	100	0
		Metered		*		0	0	100	0

Group	Activities/ Sub-activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
	Southern Valleys' Irrigation	Capital – No Lump Sum		*	0	0	100	0
		Metered	*		0	0	100	0
	Other Developments				100	0	0	0

\*\* Final % between separate targeted rate and separate targeted Uniform Annual Charge (UAC) will be determined following the approval of each Business Improvement District (BID) under Council's BID Policy and the subsequent referendum by affected ratepayers in each possible BID area. The sum percentage of targeted rate plus UAC will not exceed 100%.

Non-Group Activities	Allocation of costs to geographic areas, land use categories and other targeted rates	Fees and Charges (*) where applic.	Grants and Subsidies (*) where applic.	General-type Targeted "Rates" %	General-type Targeted Charges "UACs %"	Separate Targeted Rates %	Separate Targeted Charges "UAC's" %
Forestry		*		100	0	0	0
Land Development		*		100	0	0	0
Rental Housing		*		100	0	0	0
Commercial Leases		*		100	0	0	0
River Leases		*		100	0	0	0
MDC Holdings				100	0	0	0
Land Subdivision Reserve Grants		*		0	0	0	0
Agencies				0	0	0	100
Special Revenues				100	0	0	0
General Revenues (allocated on the basis of gross general-type rates and charges)		*		variable	variable	0	0

## Funding of Capital Requirements

10. In general, the sources of funds for capital expenditure will be utilised in the following order:

- Development and financial contributions.
- Capital grants and subsidies (where available).
- User charges.
- General revenue sources [see below].
- Council financial reserves, including Depreciation Reserves.
- Loan raising [which will impact on rates in the form of loan servicing charges].
- Targeted rates [directly charged].

## General Revenue Sources

11. There are some revenue sources which are not directly linked to an activity but are utilised by Council to assist in funding a number of Council activities either directly or indirectly.

These include:

### *Dividends and Interest from Investments*

- Funded to specified Reserves for particular purposes or events (eg: Emergency Events Reserve).
- Used to subsidise general-type rates and charges by way of general revenue allocation.
- Used to fund interest and funding costs on external borrowings.

### *Petroleum Tax*

- Used to subsidise general-type rates and charges by way of general revenue allocation.

### *Asset Sale Proceeds*

- Proceeds from the sale of non- activity assets are used to fund the forestry and asset sales reserve.

## *Development and Financial Contributions*

- Contributions received from developments and subdivisions are applied towards the cost of infrastructure to mitigate the effects of growth. (Where capital expenditure can be funded from these contributions, Council will generally use these sources of funding to meet the cost of growth of the District in preference to other services).

## *Forestry Income*

- Currently used to fund the forestry and asset sales reserve which is used to fund projects as determined by Council.

## Changes to Existing Funding Policy

12.1 Following an in-depth review of its Revenue and Financing Policy, Council initiated a number of funding changes that will take effect from 1 July 2018.

The review included the following issues:

- Consideration of the background to the existing funding policies.
- A review of user charges.
- An examination of the provisions of the Local Government (Rating) Act 2002.
- The appropriateness of the existing geographic areas for levying general-type rates and charges.
- The appropriateness of retaining Geographic Rating Areas paying a defined percentage of total General Rates and Charges.
- The advantages and disadvantages of using either Land Value or Capital Value for levying general-type rates. (The current system is based on property land values).
- Review of the “funding relationship weightings system” (see explanation of this in Terminology), to ensure that appropriate funding allocations are made to take account of the Financial Management considerations outlined in section 101 of the Local Government Act 2002.

12.2 In this Plan Council has funded Depreciation and Debt Servicing Costs on the following basis:

- (i) Depreciation has been fully funded for all assets with the following exceptions:

## Revenue and Financing Policy

- Roads, where funding has been adjusted to take account of NZ Transport Agency financial contributions.
- Halls, Convention Centre, reserves, drains, river channels, retards and Taylor Dam as it is planned that these assets are either maintained in perpetuity, or their replacement is not certain because of changing community needs.
- Southern Valleys' Irrigation Scheme, where funding is capped at current levels in accordance with practice established following community consultation.
- Activities with loans as well as a high value of non-depreciable assets, as below.

(ii) Debt Servicing Costs have been funded from depreciation reserves with the following exceptions:

- In activities with loans as well as a high value of non-depreciable assets debt servicing costs are fully funded from revenues and/or reserves and depreciation is not funded.
- Where there is a specific rate or dedicated part of any rate to meet debt servicing costs.

12.3 The Geographic Areas are described in Part 4 - Funding Impact Statement on pages 286 to 287 .

## Changes

12.4 Council reviewed the appropriateness of Geographic Rating Areas paying a target percentage of total General Rates and Charges. The Council considers it is now time to remove these percentages to enable the rates to be set in a way that is a fairer reflection of the benefits accruing to the different groups of ratepayers. The majority of the community will not be significantly impacted by their removal. The exception is the Picton Vicinity Rating Area and Council has introduced a new Remissions Policy to remit a proportion of the increase for three years to smooth its impact.

12.5 Review of the "funding relationship weighting system". Changes in weighting have occurred:

- Pest Management to reflect the development of a Regional Pest Management Plan guided by the Biosecurity Act1993 and National Policy Direction for Pest Management.

- Roading to reflect that as a network roads have the ability to potentially benefit each Ratepayer equally with a weighting of 100 except for Sounds Admin Rural with a weighting of 25.
- Economic Development and Tourism and Events to reduce the Commercial/Individual weightings.
- Transferring Smart and Connected Communities from Economic Development to Community Support where weightings better reflect the benefits accruing to the different groups of ratepayers.

12.6 A review of the Wairau Valley River Works Rates. Council has modified the weightings of the various Wairau Valley Rivers' groups to adjust for disproportionate valuation movements arising from the 2017 District wide revaluation.

This means that the various differential groups will have similar levies (in total) on the new capital values, as for the former valuation.

12.7 Council may from time to time introduce a Business Improvement District (BID) rate where a BID has been formed in accordance with the Council BID Policy, and the Council accepts (through consultation with affected parties) that it is appropriate to fund the activity by targeted rates.

## Rates Remission and Postponement Policies

### Rates Remission Policy

This policy was prepared pursuant to sections 102 and 109 of the Local Government Act 2002 for consultation using the special consultative procedure detailed in the same Act.

### Community, Sporting and Other Organisations

#### *Objective of the Policy*

To facilitate the ongoing provision of community services or recreational opportunities for the residents of the Marlborough District Council where there is no statutory provision in Schedule 1 Part 2 of the Local Government (Rating) Act 2002.

The purpose of granting rates remission to an organisation is to:

- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the general public, particularly children, youth, young families, aged people, and economically disadvantaged people.

#### *Conditions and Criteria*

The land must be owned by the Council or owned, occupied or leased by an organisation (with liability for rates), which is used exclusively or principally for sporting, recreation, or community purposes.

The organisation must not operate for private pecuniary profit.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

Organisations making application should include the following documents in support of their application:

- Statement of Objectives;
- Most recent financial accounts (preferably audited);
- Details of any leases (where applicable);
- Information on activities and programmes;

- Details of membership or clients.

#### *Application*

Generally, the Policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

The Policy shall apply to such organisations as approved by the Council (or Council Officers with delegated authority) as meeting the relevant criteria.

Remissions to any qualifying organisation shall be on the basis of a 50% reduction in rates and charges except that no remission will be granted on targeted rates/charges for water supply, sewerage disposal or refuse collection, or areas used for bars.

### Land Protected for Natural, Historic or Cultural Conservation Purposes

#### *Objective of the Policy*

To preserve and promote natural resources and heritage, to encourage the protection of land for natural, historic or cultural purposes.

#### *Conditions and Criteria*

Ratepayers with rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the Policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act 2002 and is liable only for targeted rates covering water supply, sewerage disposal or refuse collection will not qualify for remission under this part of the Policy.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

Applications should be supported by documentary evidence of the protected status of the rating unit eg; a copy of the Covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy the Council will consider the following criteria:

## Rates Remission and Postponement Policies

- The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.
- The degree to which features of natural, cultural or historic heritage are present on the land.
- The degree to which features of natural, cultural or historic heritage inhibit the economic utilisation of the land.

### **Application**

The extent of any remission shall be determined by the Council or its delegated officer[s] on a case by case basis.

In granting remissions under this part of the Policy, the Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

## Residential Land in Commercial or Industrial Areas

### **Objective**

To ensure that owners of residential rating units situated in commercial or industrial areas are not unduly penalised by the zoning decisions of this Council and the former authorities.

### **Conditions and Criteria**

To qualify for remission under this part of the Policy, the rating unit must:

- Be situated within an area of land that has been zoned for commercial or industrial use. (Ratepayers can determine how their property has been zoned by inspecting the Marlborough Sounds Resource Management Plan and the Wairau/Awatere Resource Management Plan, copies of which are available from either the District Administration Office, the Picton Service Delivery Centre, or on Council's website [www.marlborough.govt.nz](http://www.marlborough.govt.nz)).
- Be listed as a "residential" property for differential rating purposes. Ratepayers wishing to ascertain whether their property is treated as a residential property may inspect the Council's rating information database at the District Administration Office, or obtain that information from the rate records on Council's website [www.marlborough.govt.nz](http://www.marlborough.govt.nz).

### **Application**

Following triennial revaluation Council will direct its valuation service provider to prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the District. Ratepayers should note that the valuation service provider's

decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The extent of any remission shall be determined by the Council or its delegated officer(s) and will be based on valuations supplied by its valuation service provider.

## Land Affected by Natural Disaster

### **Residential Land Affected by Natural Disaster**

#### **Objective of the Policy**

To enable rate relief to be provided where the use that may be made of any land used for a private residence has been detrimentally affected by natural disaster.

#### **Conditions and Criteria**

Council may remit wholly or in part, any rate or charge made and levied in respect of the land, where it considers it to be fair and reasonable to do so.

All applications must be on the prescribed form.

#### **Application**

The extent of any remission shall be determined by the Council or its delegated officer[s].

## General -Type Uniform Annual Charges and Targeted Charges on Non-Contiguous Pastoral Rating Units

### **Objective of the Policy**

To provide relief from General-type Uniform Charges and Targeted Charges on rural pastoral land which is non-contiguous, provided it is farmed as a single entity.

### **Conditions and Criteria**

Non-contiguous pastoral units may qualify for a remission of uniform annual general charges and targeted rates calculated as a fixed amount per rating unit where Council agrees that the economics of each farm property are inter-dependent on the other. The ratepayer will remain liable for at least one uniform annual general charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Only one residential unit can exist on the qualifying rating units except where the farm contains accommodation on a rent free basis for the owner or staff associated with the farm.

## Rates Remission and Postponement Policies

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### **Application**

Council or its delegated officer[s] shall determine whether the criteria are met.

## **General -Type Uniform Annual Charges and Targeted Charges on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity**

### **Objective of the Policy**

To limit the incidence of multiple charges where a farming or other business entity consists of a number of contiguous rating units with different owners.

### **Conditions and Criteria**

Each rating unit must be leased to the operator for a term not less than five years.

The operator must provide Council with a statutory declaration confirming that each unit will be operated as part of the entity.

The ratepayer will remain liable for at least one uniform annual general charge-type and one set of each type of targeted rate calculated as a fixed amount per rating unit.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### **Application**

The extent of any remission shall be determined by the Council or its delegated officer[s].

## **Limitation of General-Type Uniform Annual Charges and Targeted Charges in Certain Circumstances**

### **Purpose of Policy**

To limit the incidence of General-Type Uniform Annual Charges and targeted rates calculated as a fixed amount per rating unit in certain circumstances.

### **Conditions and Criteria**

Council will assess the General-Type Uniform Annual Charges and targeted rates [calculated as a fixed amount per rating unit] on the basis of every separately used or inhabited part of a rating unit but, the following situations will be deemed not to create a separately used or inhabited part of a rating unit:

#### **In the case of a farm, orchard, other horticultural type property, or business:**

- Where the farm, orchard, horticultural operation, or business contains additional accommodation on a rent free basis for the owner, or staff associated with the farm, orchard, horticultural operation or business.

#### **In the case of a rating unit that contains one additional separately inhabited unit or dwelling, occupied by family members:**

- Where members of the owner's family inhabit the separate part of the property on a rent free basis.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### **Application**

Council will remit any rates in excess of those payable under this policy.

## **Urban Residential 2 Greenfields Land in Rural Areas**

### **Objective**

To ensure that owners of residential rating units situated in rural areas are not unduly penalised by the zoning decisions of Council.

### **Conditions and Criteria**

To qualify for remission under this part of the Policy, the rating unit must:

- Be situated within an area of land that has been zoned 'Urban Residential 2 Greenfield Zone' in the Wairau-Awatere Resource Management Plan (Ratepayers can determine how their property has been zoned by inspecting the Wairau/Awatere Resource Management Plan, copies of which are available from either the District Administration Office or on Council's website [www.marlborough.govt.nz](http://www.marlborough.govt.nz)).
- Remain unsubdivided ie; subdivision title has not been granted.



## Rates Remission and Postponement Policies

- Continue, for any remaining unsubdivided area, to have a land use that's consistent with the rural character that existed on approval of the new zone on 18 September 2014.

### Application

All rating units located within the 'Urban Residential 2 Greenfield Zone' will be rated on the basis of the underlying land being zoned Rural 3.

Following triennial revaluation Council will direct its valuation service provider to prepare a valuation that will treat the rating unit as if it were a comparable rating unit in zoned Rural 3. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The extent of any remission shall be determined by the Council or its delegated officer(s) and will be based on valuations supplied by its valuation service provider.

## Subdivisions That Create Four or More but Less than Ten Rating Units

### Objective of the Policy

To provide a positive development incentive to commercial subdividers by remitting general-type uniform charges on unsold subdivided land without an occupied dwelling or commercial building, for a maximum period of three years.

### Conditions and Criteria

To qualify for remission under this part of the Policy, the rating unit must remain in the subdivider's name.

Remission will not apply to water, sewerage or other targeted rates calculated as a fixed amount per rating unit.

Remission will cease on those rating units which are sold. Remission will also cease on rating units which remain unsold after three years of the lots being created.

The ratepayer will remain liable for at least one uniform annual general-type charge and one set of each type of targeted rate calculated as a fixed amount per rating unit.

### Application

Council or its delegated officer[s] shall determine whether the criteria are met.

## Subdivisions That Create Ten or More Rating Units

### Objective of the Policy

To provide a positive development incentive to commercial subdividers by remitting general-type rates and uniform charges on all unsold subdivided land without an occupied dwelling or commercial building (*other than any balance of land*) for a maximum period of five years. This policy only applies to subdivisions that are deposited after 1 July 2009.

### Conditions and Criteria

To qualify for remission under this part of the Policy, the rating unit must remain in the subdivider's name.

Remission will not apply to water, sewerage or other targeted rates calculated as a fixed amount per rating unit.

Remission will cease on those rating units which are sold. Remission will also cease on rating units which remain unsold after five years of the lots being created.

The ratepayer will remain liable for all rates and charges on the unsubdivided lot (balance of land).

### Application

Council or its delegated officer[s] shall determine whether the criteria are met.

## Rate Penalties

### Objective of the Policy

To enable Council to remit penalties where:

- payment has not been received by the penalty date, due to circumstances outside the ratepayer's control; or
- it is deemed equitable to remit the penalty for other reasons.

### Conditions and Criteria

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

The Council will consider remission of rate penalties where an application is made and meets any of the following criteria:

## Rates Remission and Postponement Policies

- payment has been late due to significant family disruption. [Significant family disruption would include death, illness, or accident of a family member]; or
- the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control; or
- penalties have arisen through processing errors in Council's records or an outstanding balance has arisen as a result of a shortfall caused by the operation of an agreed payment plan; or
- the ratepayer provides a reasonable explanation of the circumstances which caused the late payment, and this is the first occasion on which late payment has occurred.

### **Application**

The extent of any remission will be determined by the Council or its delegated officer[s].

## Water Losses

### **Objective of the Policy**

To provide ratepayers with a measure of relief, by way of partial rates remission where, as a result of the existence of a water leak on the property which they occupy, the payment of full water rates is inequitable.

### **Conditions and Criteria**

This Remission Policy does not apply to Council's irrigation water supplies (Southern Valleys' Irrigation Scheme and Riverlands Irrigation Scheme). There will be no refunds for water losses for irrigation supplies.

The existence of a significant leak on the occupied property has been established and there is evidence that steps have been taken to repair the leak as soon as possible after its detection.

### **Application**

Council will calculate the volume of water lost based on average water consumptions during similar periods of previous years.

When an application for water rates remission is approved pursuant to this policy, the amount of the remission will depend on when the leak is repaired.

If the leak is repaired before the following scheduled reading interval, the remission will be equivalent to the assessed volume of water that has been lost through the leak, since the scheduled reading interval prior to the leak being discovered; or

If the leak is not repaired before the following scheduled reading interval, the remission calculation will be assessed on the next scheduled reading interval; or

Where there are extenuating circumstances, Council or its delegated officer[s] may extend the period for a re-assessment of the water rate.

A property displaying ongoing leakage showing likely system failure of the pipe network within the property will be provided with no more than three remissions for water loss.

The maximum remission for any one water loss will be \$3,000 unless there are extenuating circumstances verified by the Operations and Maintenance Engineer.

Council or its delegated officer[s] shall determine whether the criteria are met.

## Extreme Financial Hardship

### **Objective of the Policy**

To enable Council to grant remission, for cases of extreme financial hardship, on a case by case basis, of all or part of the rates.

### **Conditions and Criteria**

Council may remit rates in accordance with the policy where the application meets all of the following criteria:

- The ratepayer(s) must be the current occupier(s) of the rating unit which must be solely used for their personal residential purposes.
- The Council must be satisfied that extreme financial hardship exists or would be caused by requiring payment of the whole or part of the rates.
- The ratepayer[s] must provide any evidence that Council deems appropriate to support the claim of extreme financial hardship.
- The ratepayer[s] must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.

### **Application**

Applications for remissions shall be considered by the Council or its delegated officer[s].

### **Sundry Remissions**

#### **Objective of the Policy**

To remit rates and charges that are the result of fundamental errors; or where the balance owing is considered uneconomic to recover; or where the amount levied is unable to be recovered pursuant to sections 67-76 of the Local Government (Rating) Act 2002, or where Council or its delegated officer(s) consider the levy impractical to recover; or where Council considers it equitable in the particular circumstances to remit rates.

#### **Conditions and Criteria**

The extent of any remission shall be determined by the Council or its delegated officer[s].

### **Picton Vicinity Geographic Rating Area Remissions**

#### **Objective of the Policy**

To provide a three year transition from 1 July 2018 for properties in the Picton Vicinity Geographic Rating Area receiving an increase of over 40% in their Geographic Area General Works and Services Rates and Charges as a result of Council adopting the Policy change contained in the 2018-28 Long Term Plan Consultation Document.

#### **Conditions and Criteria**

A remission will apply to the Geographic Area General Works and Services Rates and Charges for the properties in the Picton Vicinity Geographic Rating Area on the following basis:

2018-19 rating year 100% of the 2017-18 increased Geographic Area General Works and Services Rates and Charges resulting from Council adopting the Policy change contained in the 2018-28 Long Term Plan Consultation Document.

2019-20 rating year 67% of the 2017-18 increased Geographic Area General Works and Services Rates and Charges resulting from Council adopting the Policy change contained in the 2018-28 Long Term Plan Consultation Document.

2020-21 rating year 34% of the 2017-18 increased Geographic Area General Works and Services Rates and Charges resulting from Council adopting the Policy change contained in the 2018-28 Long Term Plan Consultation Document.

Remission will cease on 30 June 2021.

### **Application**

The extent of any remission shall be determined by the Council or its delegated officer[s].

### **Rates Postponement Policies**

#### **Extreme Financial Hardship**

##### **Objective of the Policy**

To assist ratepayers experiencing extreme financial hardship.

##### **Conditions and Criteria**

All applications must be on the prescribed form.

When considering whether extreme financial circumstances exist, all of the ratepayer[s] personal circumstances will be relevant.

The Council must postpone rates in accordance with the Policy where the application meets all of the following criteria:

The ratepayer[s] must be the current occupier[s] of the rating unit which must be solely used for their personal residential purposes.

The Council must be satisfied that the ratepayer[s] is/are unlikely to have sufficient funds left over after the payment of rates, for normal health care, appropriate 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.

The ratepayer[s] must not own any other rating units or investment properties or other realisable assets.

The ratepayer[s] must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Even if rates are postponed, as a general rule the ratepayer[s] will be required to pay the first \$645 of the annual rate levy.

The Council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the Council's administration and financial costs.

## Rates Remission and Postponement Policies

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

Any postponed rates will be postponed until:

- The death of the ratepayer[s]; or
- The ratepayer[s] ceases to be the owner or occupier of the rating unit; or
- The ratepayer[s] ceases to use the property as his/her residence; or
- A date determined by the Council in any particular case.

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 by paying the postponed rates or any part thereof.

### **Application**

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

Applications for rate postponements shall be considered by the Council or its delegated officer[s].

## Residential Ratepayers aged 65 and over

### **Objective of the Policy**

To offer ratepayers aged 65 years and over a facility to unlock the equity in their residential property by postponing all or part of their rates to a future date, at no cost or risk to Council.

### **Conditions and Criteria**

All applications must be on the prescribed form.

Rates postponement is available on properties that are occupied by the ratepayer applicant(s) as their principal place of residence. Holiday homes are not eligible.

Property that is Maori freehold land is not eligible for postponement as councils do not have adequate rights to recover postponed or overdue rates on Maori freehold land.

Postponement is available to applicant(s) who are the legal owners of their property or who live in a property owned by a family trust. Units in retirement villages held under licences to occupy and any other arrangement where the applicant is not the registered owner are only eligible for postponement if the amount of the rates for the

unit/dwelling that is lived in is clearly identified for rating purposes (i.e. separately rated), and that the full benefit of the postponement is passed on to the resident.

Postponement is available only for ratepayers age 65 or over. In the case of the couple, at least one applicant must be of that age.

Applicants must have at least one "decision facilitation" interview with a decision facilitator engaged by Council, to ensure that independent advice has been provided on the implications of the postponement offer.

The application will require any mortgagee's consents and a decision facilitator completion certificate before a formal postponement offer is made by Council.

Rates may be postponed until:

- The death of the ratepayer(s) (the Council will allow up to 12 months for any resolution of estate or trust affairs required to enable repayment); or
- The ratepayer(s) ceases to be the owner of the rating unit; or
- The rating unit ceases to be the principal place of residence of the ratepayer(s) – this means that if the ratepayer(s) moves out of the home into residential care, technically the postponed rates become due and payable. In practice, if the council is satisfied that the principal reason for moving out is to go into care, the postponement will remain in place.

The Council will offer full postponement unless testing the expected outcome through the council's actuarial model suggests that equity on expected repayment (the death of the applicant or the survivor of joint applicants) would be less than 20%. If that is the case, then postponement entitlement will be based on the maximum proportion projected to leave a minimum of 20% equity available at the end of the postponement period.

The property must be kept insured to its full value and evidence of this produced annually.

Postponed rates and any part thereof may be paid at any time. Applicants may elect to postpone a lesser amount than the maximum they would be entitled to under the council's policy.

If accrued rates and charges reach 80% of the value of the property, the Council will not postpone any further rates but instead require that all further rates are paid as they fall due. Accrued rates and charges will remain payable only on an event of repayment (eg; death, sale) and will continue to accrue interest and other annual charges.

## **Rates Remission and Postponement Policies**

One-off costs to the ratepayer will relate to the initial postponement application fee, a contribution to the facilitation process, and any other incidental fees and charges relevant to the particular application.

Other costs to the ratepayer (or their estate) will be the amount of the postponed rates and charges, interest on the accumulated postponement amount, an annual administration fee to cover external management and the scheme's operating costs, and a reserve fund levy to meet unsecured postponements.

All of the above fees and charges will be added to the postponed rates.

Legal Fees – if an applicant wishes to consult a lawyer, the applicant will need to meet the costs of doing so.

### ***Application***

Postponed rates will be registered as a Statutory Land Charge on the rating unit's title.

Applications will be considered by delegated officers in accordance with the scheme's criteria.

## **Maori Freehold Land**

### **Remission and Postponement of Rates on Maori Freehold Land**

#### ***Objectives of the Policy***

Section 102(2)(e) of the Local Government Act 2002 requires Council to adopt a policy on the remission and postponement of rates on Maori freehold land; section 108 and Schedule 11 set out the matters to be considered.

#### ***Conditions and Criteria***

Council has reviewed the matters set out in section 108 and Schedule 11 and has decided that the appropriate policy is to consider applications for remission or postponement of rates on Maori freehold land in terms of the policies adopted by Council regarding remissions and postponements of rates on other land.

# Engagement and Significance Policy

## Purpose

The decisions Council make affect its communities on a daily basis. The purpose of this policy is to let the community know how and when they can expect to be engaged informed/consulted in Council's decision-making processes. This policy will tell you:

- When the community can expect to be engaged (consulted) with;
- What decisions Council and the community think are particularly significant (important);
- How Council will assess the significance (importance) of the decisions.
- How the community can expect to be engaged (consulted) with;

## Definitions

For purposes of this policy, unless otherwise stated, the following definitions shall apply:

Term	Definition
<b>Affected person</b>	Is a person directly affected by a decision of Council
<b>Community</b>	A group of people— <ul style="list-style-type: none"> <li>• living in the same place; or</li> <li>• having a particular interest or characteristic in common; or</li> <li>• owning property in the same place.</li> </ul> It includes interested parties, affected people and key stakeholders.
<b>Decision</b>	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of council decisions will not be considered significant).
<b>Engagement</b>	The process of involving the community in decision-making (see engagement levels and methods matrix)
<b>Proposal</b>	Decision to be made by Council on a specific issue, asset or activity.
<b>Significance</b>	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

Term	Definition
	assessed by the local authority, in terms of its likely impact on, and likely consequences for: <ul style="list-style-type: none"> <li>• the district or region;                             <ul style="list-style-type: none"> <li>• any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;</li> <li>• the capacity of the local authority to perform its role, and the financial and other costs of doing so.</li> </ul> </li> </ul>
<b>Strategic Asset</b>	The assets and groups of assets in terms of s.90(2) that Marlborough District Council considers to be strategic are: <ul style="list-style-type: none"> <li>• The local roading network as a whole.</li> <li>• District storm water networks.</li> <li>• District water supply networks.</li> <li>• District sewerage networks.</li> <li>• River control assets.</li> <li>• Shares in MDC Holdings Ltd.</li> <li>• Commercial forestry known as Marlborough Regional Forestry.</li> <li>• Senior housing</li> </ul>

## Statements

Community engagement helps to strengthen the legitimacy of decisions. It enables communities to influence decisions and it increases the accountability of Council. It ensures the community are aware and can respond to Council proposals based on a range of knowledge, views and values.

When Council has a proposal, it needs to decide whether and how to engage (consult) with the community, individuals or particular interest groups. Council has to apply the principles of engagement set out in the Local Government Act 2002 when deciding what process to follow when consulting on a particular proposal. Council will use this policy when deciding how to consult or engage.

## Engagement and Significance Policy

This policy is in four parts:

- (a) Engagement - describes when Council will engage with the community;
- (b) Significance - describes how Council decides if a proposal is significant (important). The level of significance (together with other factors set out in this policy) then determines what level of engagement is required;
- (c) Details on community preferences about engagement and the Engagement Levels and Methods Matrix; and
- (d) A brief description of the Special Consultative Procedure.

## Engagement with Māori

Council has a current policy on engagement with Māori, the Māori Capacity Development Policy, made under section 81 of the Local Government Act 2002. Council will continue to engage with Māori under that Policy. Council and Marlborough's tangata whenua iwi are reviewing the basis on which they interact. This review is likely to result in a dedicated Māori engagement policy.

## Engagement

Council is committed to effective engagement with Marlborough's communities on what matters to them. In return people expect to have the opportunity to be involved and have their say.

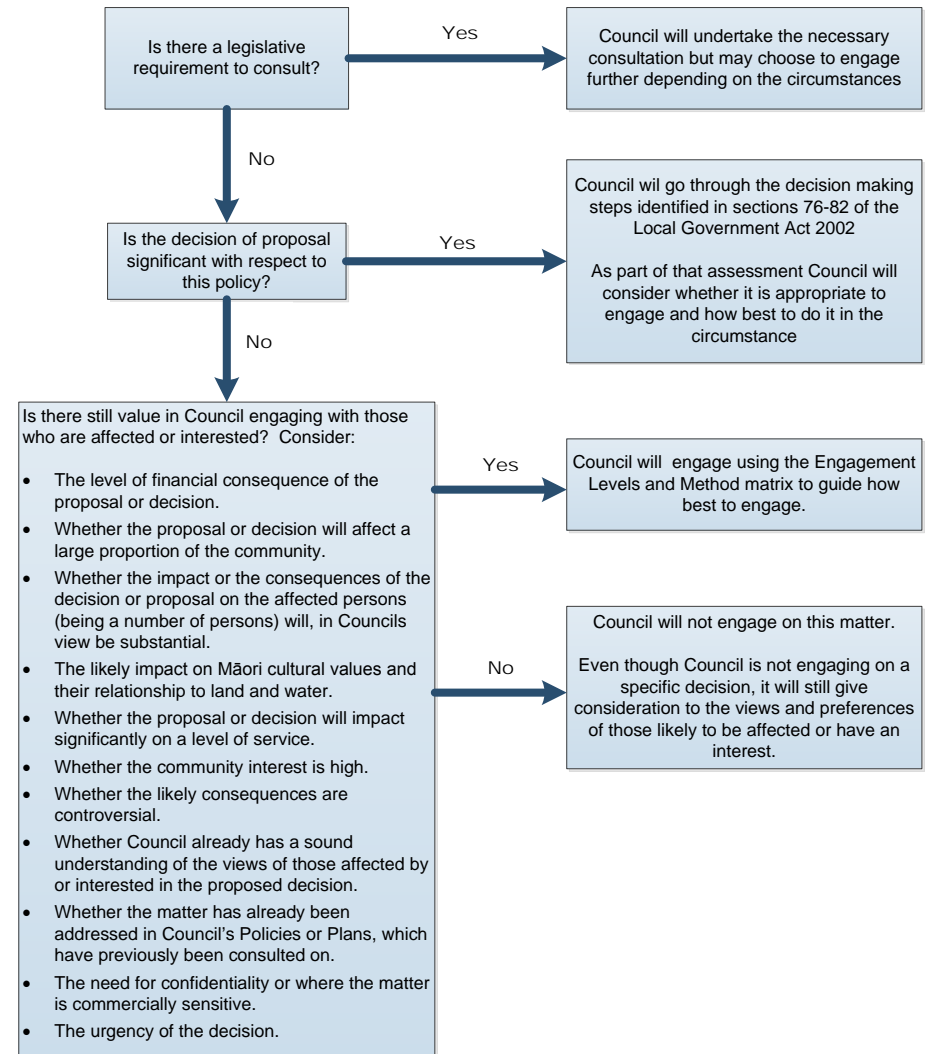
This part of the policy describes:

- (a) The process to determine whether Council will engage with the community?
- (b) When Council will not engage with the community.
- (c) Feedback on decisions made.

Unless engagement is required by statute, it is open to Council to decide whether engagement is required in order to determine community views, and if so, the nature and extent of consultation

If the proposal or decision is affected by a number of the considerations below it is more likely to have a higher need of engagement.

## Process to Determine Whether Council will Engage with the Community



### When Council will not Engage with the Community

There are times when it is not necessary, appropriate or possible to engage with the community on a proposal or decision. These include:

- (a) On decisions to take (or not take) enforcement action in a particular case (even where the matter may be highly significant under this Policy (for example, where the matter has high public interest)).
- (b) In emergency situations where an immediate response is necessary.
- (c) On administrative matters (for example, tendering and contracting, delegations, appointments (staff, commissioners, directors, and trustees), insurance and risk management).

### Feedback on Decisions Made

Council will make sure that the public is told what choices and decisions were made and why. Council will endeavour to directly contact everyone who had input or made a submission. Council may use the media or the Council website to let people know.

### Significant Proposals and Decisions

This part of the Policy describes:

- (a) The criteria or procedures Council will use to assess significance
- (b) The approach Council will take to determining the significance of proposals and decisions. How significant a proposal or decision is has a direct impact on the level of consultation required.

Marlborough District Council will consider any decisions concerning the following as significant:

- (a) Expenditure on issues, assets, or other matters (not including strategic assets) that represent more than 10% of Council's total budgeted annual income.
- (b) Any transfer of ownership or control to or from the Council, or the construction, replacement or abandonment, of a strategic asset as defined by the Act or listed in this policy.
- (c) Reducing Council's shareholding in any Council Controlled Organisation and Joint Operating Committee below 100% of the shareholding held as at 30 June 2018.
- (d) Entry into any partnership with the private sector to carry out a significant activity.
- (e) Whether an affected asset is a strategic asset within the meaning of the Act or listed in this policy.

Degrees of significance will be determined after consideration of the following criteria:

- (a) Whether an affected asset is a strategic asset within the meaning of the Act or listed in this policy.
- (b) The extent to which there is, or is likely to be, a change in the level of service in carrying out any significant activity.
- (c) The extent to which there is, or is likely to be, a change in the capacity of the Council to provide any significant service or carry out any significant activity.

### Engagement Levels and Methods Matrix

This part of the Policy details community preferences for engagement and the engagement levels and methods matrix.

### Community Preferences for Engagement

Many interest groups and communities already effectively engage with Council on an on-going basis. Council will continue to support existing community and interest groups in engaging with Council.

Council has established the "Smart and Connected" programme which brings together industries and interest groups to better manage their futures. The Smart and Connected economic strategy aims to create a relationship between Council and the community to promote the vision for Marlborough.

Council will look for other opportunities for communities and interest groups to engage with Council in this way. These opportunities may be single-issue or ongoing. They may involve establishing forums for communities and new Smart and Connected Cluster groups. These forums and groups allow people to express their views to Council on matters affecting them, allows Council to provide information of interest to them, and Council can assist them to make decisions for their future development.

Before the Council makes a significant decision, Council will consult the public, following the principles set out at section 82 of the LGA. In practice, this means that we will—

- (a) identify people who will be affected by or have an interest in the decision;
- (b) provide them with reasonable access to relevant information in an appropriate format on the process and scope of the decision;
- (c) encourage people to give their views;



- (d) give people a reasonable opportunity to give their views in an appropriate way;
- (e) listen to, and consider those views, with an open mind; and
- (f) after the decision, provide access to the decision and any other relevant material.

Council will use a variety of methods of engagement. The methods will vary greatly in accordance with the significance of the decision to be made in accordance with this policy and more than one method may be used over time on one project.

### Engagement Levels and Methods Matrix

Level	Inform	Consult	Involve	Collaborate	Empower
<b>What does it involve</b>	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision making	Working in partnership to develop an understanding of all issues and interests to work out alternatives and identify preferred solutions. Sharing of resources (e.g. people) for a common purpose.	The final decision making is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents
<b>Types of issues that we might use this for</b>	Water restrictions	Rates review	Smart & Connected Leadership Groups	Resource Management Plan Review	Election voting systems (MMP, STV or first past the post)
<b>Tools Council might use</b>	Websites Social media Information flyer Public notices Public meetings Community papers	Formal submissions and hearings, focus groups, surveys (for example, phone and web—based polling surveys)	Workshops Focus groups	External or joint working groups (involving community experts or stakeholders)	Binding referendum Local body elections
<b>When the community can expect to be involved</b>	Council would generally advise the community once a decision is made	Council would advise the community once a proposal is determined by Council and would generally provide the community with at least 4 weeks to participate and respond	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered	Council would generally provide the community with a greater lead in time to allow them time to be fully involved in the process

**Note: the tools described in each column may also include tools described to the left of that column**

### ***Brief Description of the Special Consultative Procedure***

The special consultative procedure is an open invitation to the public to be involved in decision making. It is used when the issue to be decided on affects the whole of Marlborough or all ratepayers and residents in Marlborough are likely to be interested in the decision to be made. It is a formal process that is set out in the Local Government Act 2002. The main steps in the process are:

- (a) Council issues a statement of proposal which is open for the community to provide views. It remains open for at least a month. The community can make a submission on the proposal.
- (b) Council will hold a hearing if the community want to present their views in person.
- (c) Council makes a decision on the proposal taking into account the views expressed.
- (d) The process can take four to six months (or even longer) to complete.
- (e) Council will provide an opportunity for people to present their views in a manner that enables spoken (or NZ sign language) interaction between the person and Council, if requested.
- (f) Council may allow a person to present their views by audio or audio-visual link, if requested.
- (g) Council will ensure that the consultation documents are accessible to the public and that the fact the proposal is open for consultation widely known (for example, on Council's website).

# Statement on Contributions to Decision-making Processes by Maori

## Introduction

Council provides a wide range of services which make important contributions to the many communities in Marlborough. People should have the opportunity to participate in decisions about those services that affect them.

## Context

Council recognises the uniqueness accorded to Māori as tangata whenua.

There are a wide range of Māori, iwi, hapū, business and community organisations in the Marlborough District as well as social and cultural organisations.

Māori make up more than 10% of the population of the Marlborough region (2013 Census), of which a significant number are mana whenua. Iwi authorities are an increasingly significant component of the Marlborough economy, following Te Tau Ihu Tiriti settlements.

There are nine iwi groups within Marlborough, who have completed Te Tiriti settlements. Most of these iwi have interests across Te Tau Ihu o Waka a Māui—

- Ngāti Kuia, Rangitāne o Wairau, and Ngāti Apa ki te Rā Tō (from the *Kurahaupō* waka)
- Ngāti Koata, Ngāti Rārua and Ngāti Toa (from the *Tainui* waka)
- Te Ātiawa (from *Aotea* or *Kurahaupō*)
- Ngāi Tahu (Ngāti Kuri hapū)
- Ngāti Tama ki te Tau Ihu (Tainui/Taranaki)

Marlborough's tangata whenua iwi have all signed Deeds of Settlement with the Crown to address breaches of Te Tiriti o Waitangi. The historic claims of each of Marlborough's tangata whenua iwi have now been settled.

Council recognises and respects the Crown's responsibility to take appropriate account of the principles of Te Tiriti, and to maintain and improve opportunities for Māori to contribute to local government decision-making processes.

## Contributions to Decision-making

Council is charged with the responsibility to promote opportunities for Māori and tauwiwi (other members of the public) to contribute to its decision-making processes.

These obligations apply to all Māori in the district. Council acknowledges that Māori other than tangata whenua may be resident in the area.

In the normal course of things, Council engages with the iwi authorities that have settled.

A number of key themes emerge from the various pieces of legislation including:

- (a) in Council decision-making processes:
  - i. To consider Te Tiriti o Waitangi principles;
  - ii. Facilitating iwi participation;
  - iii. Recognising and understanding Māori cultural values and perspectives including mātauranga Māori (Māori knowledge), tikanga Māori (Māori principles and protocols); and kaitiakitanga (Māori guardianship);
- (b) Council's duty to contribute to Māori capacity and to enable and promote Māori well-being as part of a comprehensive and effective long-term strategy of the Council; and
- (c) the Māori contribution to the social, economic, environmental, and cultural well-being of Marlborough.

*Council has identified three main areas on which it needs to focus:*

- (a) Assist Māori to build capacity to engage with Council;
- (b) Developing contributions to decision-making processes by iwi;
- (c) Building Council capacity.

## Assist Iwi to Build Capacity

Council needs to find out how it can help with resourcing so that iwi can better engage in Council processes and decision-making.

To do this, Council needs to understand from iwi:

- What are their aspirations
- What are their expectations of Council

## Statement on Contributions to Decision-Making Processes by Māori

Council has historically provided assistance to iwi through their Tiriti settlement negotiation processes. Council provides information to iwi on infrastructure provision and various economic development opportunities. However, post-settlement there may be more that Council can do.

Together we can assess what iwi need to be able to fully participate in Council decision-making processes.

### Council Decision-making

Iwi are entitled to be involved in Council decision-making across Council. This requires us to develop relationships of mutual respect, co-operation and goodwill.

Council will engage with iwi to ensure that its decision-making processes provide opportunities for iwi to take part.

Strong on-going personal relationships and structural arrangements can assist with this.

Regular relationship meetings with key iwi stakeholders allow Council and iwi at governance and management levels to focus on long-term strategic engagement, understanding each other's goals and aspirations.

Council will also review how iwi can have influence at the governance level.

In particular, Council continues to -

(a) Invite iwi authorities to take part in its annual and three-yearly strategic

planning to develop the Annual Plan and the Long-Term Plan;

- (b) Have positions available for iwi on Council's main standing committees;
- (c) Consult on new and revised bylaws and other regulatory or planning instruments;
- (d) Attend and assist to organise the Cook Strait Forum; and
- (e) Engage with iwi over Policy statements and Plans under the RMA.

### Build Council Capacity

Council needs to have a good understanding of Māori in our community, their aspirations and expectations. Knowing about and respecting tikanga, kawa, tē reo, tē Ao Māori will aid in developing relationships for effective engagement.

Council can do some basic things that will make staff and Councillors more at ease in moving in a Māori world.

Council will -

- Train staff and Councillors in Council's obligations, basic te reo, tikanga, and an understanding of tē Ao Māori; and
- Develop resources for Councillors and staff when engaging in the Māori world.
- Promote appreciation and understanding of tē Ao Māori