

Ngā kaupapa here Policies



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Introduction

Legislative requirement

Under section 102 of the Local Government Act 2002 all local authorities must adopt a revenue and financing policy.

What it is and does

The revenue and financing policy provides details of Council's approach for the funding of operating and capital expenditure and provides predictability and certainty about sources and levels of funding available to Council. It clearly and transparently explains the rationale and process for selecting various tools to fund each significant activity of Council.

The revenue and financing policy is reflected in each of Council's funding impact statements for a particular financial year or activity group. To understand the impact of the policy, it must be read in conjunction with the funding impact statements.

Requirements of the Local Government Act 2002

Section 103 of the Local Government Act 2002 (the Act) identifies the required components and considerations that make up the policy.

The policy must include the local authority's policies in respect of the funding of operating expenses and capital expenditure from the sources listed in s103 (1) and s103 (2).

Council must comply with section 101(3) of the Act, requiring Council to consider the following before it determines the funding source for each activity:

- ① the community outcomes to which the activity primarily contributes
- ② the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
- ③ the period in or over which those benefits are expected to occur
- ④ the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- ⑤ the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Additionally, the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environment, and cultural well-being of the community must be considered.

Policy statement

Funding of operational expenditure

Where expenditure does not create a new asset for future use or extend the lifetime or usefulness of an existing asset, it is classed as operating expenditure. Operating expenditure pays for Council's day-to-day operations and services, from maintaining local roads and providing street lighting to looking after parks and issuing building consents and liquor licenses.

Council funds operating expenditure from the following sources:

- General rates
- Targeted rates
- Fees and Charges
- Interest and dividends from investments
- Borrowing
- Grants and subsidies
- Other sources including lease income, cash reserves, restricted or special funds, surpluses from previous financial years.

Council may choose to not fully fund operating expenditure in any particular year if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years.

Council has determined the proportion of operating expenditure to be funded from each of the sources above, and the method for apportioning rates and other charges.

Refer to *Use of funding mechanisms* for more information (page 307).

Funding of capital expenditure

Capital expenditure is the spending on creation of a new asset or extending the lifetime of an existing asset. Capital expenditure can also be incurred to improve the level of service provided by the asset.

Council funds capital expenditure from the following sources:

- General rates
- Targeted rates
- Borrowing
- Proceeds from asset sales
- Development contributions
- Financial contributions
- Grants and subsidies
- Other including restricted or special funds, surpluses from previous financial years.

Renewal of assets, except water assets, are to be incrementally funded by rating for depreciation. Water assets will be incrementally funded by depreciation from 1 July 2029. Funding for depreciation means users of the assets pay for their share of the cost.

Borrowing or loan funding is an appropriate funding mechanism to meet the cost of developments that increase Council's level of service or support growth. Loan funding will be used in conjunction with any relevant development contributions, financial contributions or available grants.

The costs of borrowing will be borne by those who benefit from the asset over time. This is known as the 'intergenerational equity principle' and means the costs of maintaining or improving any asset should be recovered from those that benefit over the period the benefits of that expenditure accrue.

Refer to *Use of funding mechanisms* for more information (page 307).

Policy development process

In developing the policy and determining the appropriate funding sources for each activity, Council considered a range of factors including assessing each activity as required by s101(3) of the Act. The factors considered are described below.

Community outcomes

These are outcomes that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural wellbeing of its district or region in the present and the future. The Act requires Councils to consider the community outcomes to which each activity contributes when determining funding sources.

The community outcomes are listed below:



TAIAO Environment

We're immersed in natural beauty. We care for and protect our river, our stunning parks, and our natural environment.



PAPŌRI ME TE AHUREA Social and cultural

We celebrate our whānau, heritage, and culture. We're a caring, safe, and healthy community.



ŌHANGA Economy

We're a city of opportunity. We attract new investment and offer opportunities for people and businesses to prosper.

Our city centre is alive, attractive, and vibrant.



TŪĀPAPA Infrastructure

We have reliable and efficient networks and infrastructure that support our city.

Distribution of benefits

In assessing the distribution of benefits for each activity, Council considered whether the benefits flowed to the city as a whole (public benefit), to individuals (users), or to identifiable parts of the community (parts of the community or specific group(s) within the community like rural or business groups). This is discussed in the activity analysis section.

Period of benefits (intergenerational equity)

Council must also consider intergenerational equity, the principle that costs of any expenditure should be recovered over the time that the benefits of the expenditure accrue. This principle applies particularly to capital expenditure and results in infrastructure costs being spread more evenly across the life of the asset and the different rate payers who benefit from it. Intergenerational equity issues arising in relation to capital expenditure and investments are discussed in the policy statement section of this policy. As operational expenditure is funded annually (except where borrowing is used to fund operational expenditure with a long-term benefit) there are no intergenerational equity issues to be considered and therefore the period of benefit is not discussed in the activity analysis section.

Exacerbator pays

Council must assess the extent to which each activity is undertaken to remedy the negative effects of the actions or inactions of an individual or group. It is important to note that the actions themselves may not be negative or 'bad' but they may have negative effects on the whole community, in terms of requiring Council expenditure on the relevant activity.

This principle is particularly relevant to Council's regulatory functions and other activities taken to mitigate the adverse effects on the environment. The principle suggests that Council should, where practical, recover costs directly from the individual or group that contributes to the deterioration of a situation or to a cost that is a direct result of their actions. This principle is discussed for relevant activities in the activity analysis section.

Costs and benefits

This consideration includes transparency, accountability and some assessment of the cost efficiency and practicality of funding a particular activity separately.

Transparency and accountability are most evident when an activity is distinctly funded. This allows rate payers, or payers of user charges, to see how much money is being raised for and spent on the activity. However, funding every activity on such a distinct basis would be administratively complex.

Council agreed that the level of activities presented in the activity analysis section of this policy is the best balance between transparency and administrative costs. Identifying and accounting for each activity separately from other activities enables:

- ① more transparent disclosure and accountability of projects and funding to the Upper Hutt community.
- ② greater opportunity for the Upper Hutt community to have input on decisions, proposals, issues, and matters through consultation.
- ③ identification of how the activity contributes to the achievement of community outcomes and service delivery goals through detailed understanding and planning.
- ④ improved monitoring of the activity in terms of how well Council is achieving its community outcomes annually.
- ⑤ identification of costs required to support the activity in terms of time involved planning, monitoring, accounting, reporting and administration

**Overall impact
of the funding
mechanisms
selected**

Following the consideration of the five matters discussed above, the benefits of each activity become apparent. Once this consideration is complete and indicative cost allocations compiled, the final step in Council's process of developing this policy has been to consolidate the results of the activity analysis and consider the overall impact of any allocation of liability for revenue needs on the community. The impact is assessed on the current and future social, economic, environmental, and cultural well-being of the community.

In preparation of this policy a range was used for funding mechanisms to reflect the variability of usage and revenue sources. This is a change from the Revenue and Financing Policy set in the 2021 Long Term Plan which used an absolute percentage.

Use of funding mechanisms

Funding sources available to a local authority are set out in the Act and the Local Government (Rating) Act 2002 For funding mechanisms used by Council a description of the funding source and how it is applied is provided below.

Activities funded by general rates

The general rate is used to fund the following activities.

- Leadership
 - Leadership

- Community and Recreation
 - Upper Hutt Libraries
 - Community development
 - Whirinaki Whare Taonga
 - Emergency Management
 - Te Kupenga o Rongomai
 - Property
 - Parks and reserves
 - Akatārawa Cemetery
 - H₂O Xstream

- Economic Development
 - Economic development

- Sustainability
 - Sustainability initiatives
 - Waste

- Planning and Regulatory
 - City planning
 - Animal management
 - Environmental health
 - Alcohol licensing
 - Parking enforcement
 - Building control

Calculating general rates by differential

General rates are calculated on the capital value of all rateable properties in the city and assessed on a differential basis.

Council agreed that for activities where a city benefit was identified, funding for that benefit through a differential general rate would be the most efficient, equitable, and transparent method. The general rate is an appropriate funding source for a city-wide benefit, except where the Council considers the transparency and accountability reasons for having a separate targeted rate are more compelling.

The differential categories for the general rate follow. This reasoning has not been repeated throughout the rest of the policy unless Council has made an exception to it for an activity.

Under differential rating, all land (which may be a rating unit or part of a rating unit) is allocated to one or more of the following categories.

Standard⁴⁸

A rating unit or part rating unit will be allocated to the *Standard* category to the extent that it does not meet all of the criteria for inclusion in any other category.

Business

A rating unit or part rating unit in the Business zone or in the Special Activities zone will be allocated to the *Business* category for rating purposes, unless:

- it has been allocated to the *Utility* category; **or**
- it has been allocated to the *Standard* category because it is being used, principally, as a single residential dwelling (used principally for private residential purposes).

A rating unit or part rating unit will be allocated to the *Business* category for rating purposes if it is situated in a Residential, Rural or Open Space zone and has not been allocated to the *Utility* category but is being used, principally, for a business activity.

- where the business activity is the principal activity on a rating unit, the whole rating unit will be allocated to the *Business* category.
- where the business activity is not the principal activity on a rating unit but takes place in a physically discrete part of the rating unit, that part will be allocated to the *Business* category.

For the purposes of this policy, we've defined business activities as follows.

INCLUDED Business activities	EXCLUDED NOT business activities
<ul style="list-style-type: none"> ● Commercial sawmills and timber yards ● Farm products processing plants ● Retail nurseries and garden centres ● Veterinary hospitals and clinics 	<ul style="list-style-type: none"> ● Farming activities ● Intensive animal farming ● Wellington Racing Club

48 Standard maybe called 'Residential' in some places. For this purpose, the words are interchangeable. Moving forward 'Standard' is the preferred word.

Utility

Regardless of zoning and notwithstanding that it may meet the requirements for inclusion in another category, a rating unit or part rating unit will be allocated to the *Utility* category for rating purposes to the extent that:

- it is owned or operated by a utility operator and is being used, principally, as part of the utility infrastructure; **and**
 - it is identified as a utility in the *Upper Hutt City District Valuation Roll*.
-

Three Waters Utility

A rating unit or part rating unit will be allocated to the *Three Waters Utility* category for rating purposes to the extent that it:

- Meets both the criteria in *Utility*; **and**
 - It is used solely for the purpose of:
 - Draining stormwater; **or**
 - Draining wastewater from Upper Hutt city and its district into the bulk sewer line; **or**
 - Supplying potable water to Upper Hutt City and its district, but not used to carry water directly from the reservoirs owned by Greater Wellington Regional Council.
-

Rural

A rating unit or part rating unit will be allocated to the *Rural* category for rating purposes to the extent that:-

- it is situated in a rural zone; **and**
- has an area of 30 ha or more.

If Council is satisfied that:

- the same ratepayer is recorded as owner of more than one rating unit; **and**
- all the rating units are situated in a rural zone; **and**
- are being used as one property principally for a farming activity; **and**
- the rating units have a combined total area of 30 ha or more.

Then the rating units will all be allocated to this category for rating purposes.

Corrections Facility

A rating unit will be allocated to this category if it is used primarily by the Department of Corrections for the housing of inmates under their care.

Forestry NEW

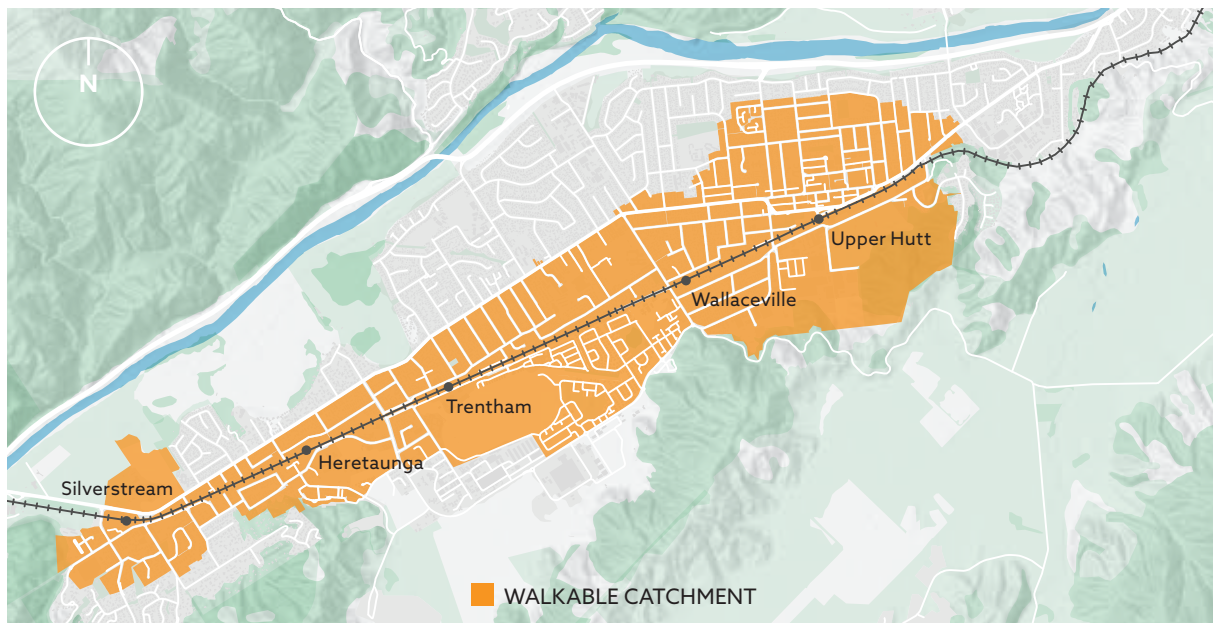
From 1 July 2025, a rating unit will be allocated to this category if it is used primarily for commercial forestry.

Vacant Land NEW

A rating unit will be allocated to this category when it is within the city's 'walkable catchment' as shown below and has either:

- ① a zero improvement value; **or**
- ② a positive improvement value but no permitted or consented activity underway, including improvements (such as buildings) which are unused and/or derelict.

The 'walkable catchment' is indicated in orange below



APPLYING DIFFERENTIALS TO EACH CATEGORY

The categories defined above are based on the use the land is put to.

Allocating differentials

All categories are allocated a differential based on a factor of 100 for the *Standard* differential category. The factors for each differential will be defined annually in the Funding Impact Statement of the Long Term Plan or Annual Plan for that financial year. However, more generally:

- where different parts of a rating unit fall into different categories, the rating unit will be apportioned accordingly.
- using *Standard* as a base:
 - the *Rural* category's rating differential will be set lower
 - *Business, Utility, Three Waters Utility, Corrections Facility, Forestry, and Vacant land* (or empty/derelict building), rating differentials will be higher.

The *Rural* category rating differential will be set lower than the *Standard* category's differential because of the perceived distance of land in this category from Council services. Activities identified by Council as benefiting *Rural* less include animal management, alcohol licensing, environmental health, parking enforcement, and parks and reserves.

The *Business, Utility, Three Waters Utility, Corrections facility, Forestry, and Vacant land* differentials will be set higher than the *Standard* category in consideration of the benefits of Council services derived by these categories and that the overall benefits of well-maintained Council services and facilities and a thriving community on these categories is high. There are also services like parking enforcement and economic development which accrue additional benefits to the *Business* category.

Targeted rates

What is a targeted rate?

A targeted rate is set under s16 or s19 of the Act and has been used to fund the following activities:

- Water supply
- Wastewater
- Stormwater
- **NEW** Transport (including subsidised and non-subsidised roading activities)
- **NEW** Government compliance

A targeted rate is used according to the policy when:

- 1 Council considers a targeted rate would enable a higher transparency in funding allocation for an activity; or
- 2 Council considers that a targeted rate is fairer due to specific benefit groups/categories being able to be identified.

From time-to-time, it is necessary for Council to provide activities, services or facilities that only, or primarily, benefit specific ratepayers or small groups of ratepayers, therefore, Council may set a targeted rate to provide such activities, services or facilities. Targeted rates will be assessed against the rating units owned by the ratepayers who are to benefit.

Fees and charges

Who pays fees and charges?

Fees and charges will be used where the level of benefit can be isolated to specific users, beneficiaries or exacerbators of the service and/or the activity can be distinctly identified for which user fees represent the fairest method to seek a contribution from the identified beneficiaries or exacerbators.

Setting fees and charges

This policy includes the percentage of fees and charges Council aspires to collect for the relevant activity. The percentage is decided giving due consideration to the affordability of those fees. The actual fees and charges collected by Council will vary depending on a number of external factors.

Interest and dividends from investments

Utilisation of interest and dividends

Council receives limited interest from cash investments. Any interest received can be used to offset the rate required in the year received. Any dividends received can also be used to offset rates.

Borrowing

What we borrow money for

Council uses borrowing for capital expenditure. Council may use borrowing for operational expenses in exceptional circumstances and where the expense contributes to a longer-term outcome.

Borrowing is managed by the provisions of Council’s Treasury Risk Management Policy (TRMP). Funding mechanisms to fund capital development are set out within the TRMP.

Council may be obliged to use overdraft facilities and/or loan funding in order to carry out essential repairs and restore core services and operations in the event of a major civil emergency.

Proceeds from asset sales

Use of proceeds from asset sales

Funds from asset sales are applied first to offset borrowing in the relevant activity from which the asset was sold, and secondly for repayment of existing term debt.

Development and financial contributions

Development contributions

Development contributions are to be used as a funding source for capital expenditure resulting from growth for community facilities and all relevant infrastructure—in accordance with Council’s Development and Financial Contributions Policy.

Financial contributions

Council will continue to use Resource Management Act-based financial contributions in some circumstances.

Grants and subsidies

Waka Kotahi funding

Each year Council receives funding from Waka Kotahi NZ Transport Agency as part of the overall replacement and renewal programme for the city's roading infrastructure.

Other grants and subsidies

Council pursues other grant and subsidy funding available from central government wherever it is considered appropriate.

Other funding sources

Other funding sources used include lease income, cash reserves, surplus from previous financial periods, and special/restricted funds. In general, these are applied to the activities that generated them.

Use of surpluses from previous financial periods

Where Council has recorded an actual surplus in one financial period, it may pass this benefit to ratepayers in a subsequent period. A surplus may arise from the recognition of additional income or through savings in expenditure.

For capital surpluses, the amount retained will be carried forward to fund the associated capital expenditure. For operational surpluses, the amount retained will go to an operational reserve to offset rates in future periods.

Funding of expenditure from restricted or special funds

Certain operating and capital expenditure items may be funded from restricted or special funds. Restricted and special funds are those reserves within Council's equity that are subject to special conditions of use, whether under statute or accepted as binding by Council, and that may not be revised without reference to the courts or a third party. Transfers may be made only for specified purposes or when specified conditions are met.

The following restricted and special funds are available for Council to use:

- **Trusts and bequests:** From time-to-time Council may be the recipient/holder of trusts monies and/or bequests. These funds can only be used for the express purposes for which they were provided to Council.
- **Other reserves:** Restricted funds are also included in other reserves, funds, renewals, and contingency accounts. Subject to meeting any specified conditions associated with these reserves Council may expend money, of an operating or capital nature, from these reserves.

Separately used or inhabited parts

Definition

A separately used or inhabited part (SUIP) of a rating unit means any part of a rating unit which is:

- ① inhabited or used by an owner; or
- ② inhabited or used by any person other than an owner by tenancy or other agreement.

For the avoidance of doubt, where an owner occupies the entirety of a rating unit, or tenants the entirety of a rating unit, there will be only one SUIP.

Assessment and determination

Council will consider the following when determining whether a part of a rating unit is a SUIP:

- ① A SUIP does not need to be occupied in order to be categorised as separately used. Availability for separate use is sufficient.
- ② In determining whether a part of a rating unit is used for accommodation, Council will consider whether it has independent kitchen facilities (including cooking facilities) and separate toilet and sanitation, but these are not required, and a part of a rating unit made available for temporary accommodation may be a SUIP without these.

The following are some examples of rating units that are likely to comprise more than one separately used or inhabited part. Please note that these are illustrative only and not an exhaustive list:

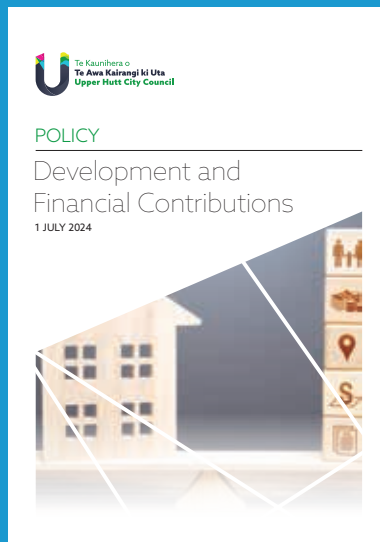
- Single dwelling or business premises which includes separate accommodation.
- A rating unit that includes a flat with a stove and separate living and toilet facilities.
- A dwelling where part of the dwelling or an outbuilding is made available for rent.
- Commercial building with multiple tenancies.
- Individually surveyed lots of vacant land on one Record of Title offered separately for sale.

Analysis of activities and funding conclusions

The table below summarises how the operating expenditure associated with each of the Council's activity groups (and activities) are funded through applying the requirements of section 101(3) of the Act. Descriptions of each activity group are in Section B (page 36).

Activity group (and activities)	Individual benefit	Community benefit	General rate	Targeted rate	Fees and charges	Grants and subsidies
Leadership	Less	More	95 – 100%	0 – 5%	0 – 5%	0 – 5%
Community and recreation						
Community development	Less	More	75 – 90%			10 – 25%
Emergency management	Less	More	95 – 100%		0 – 5%	0 – 5%
Property	Less	More	80 – 85%		15 – 20%	0 – 10%
Parks and reserves	Less	More	75 – 85%		15 – 25%	0 – 5%
Akatārawa Cemetery	More	Less	15 – 30%		70 – 85%	
H ₂ O Xtream	Less	More	75 – 85%		15 – 25%	0 – 5%
Upper Hutt Libraries	Less	More	95 – 100%		0 – 5%	0 – 5%
Te Kupenga o Rongomai	Less	More	90 – 100%			0 – 10%
Whirinaki Whare Taonga	Less	More	90 – 100%			0 – 10%
Economic Development	Less	More	90 – 100%			0 – 10%
Water Supply	More	Less		75 – 85%	15 – 25%	0 – 5%
Wastewater	More	Less		75 – 85%	15 – 25%	0 – 5%
Stormwater	More	Less		90 – 100%	0 – 10%	0 – 10%
Land Transport						
Subsidised	Less	More		45 – 50%	0 – 5%	45 – 55%
Non-subsidised	Less	More		90 – 100%	0 – 10%	0 – 10%
Sustainability						
Sustainability initiatives	Less	More	80 – 100%		0 – 20%	0 – 20%
Waste	More	Less	70 – 80%		20 – 30%	20 – 30%
Planning and regulatory						
Alcohol licensing	More	Less	30 – 40%		60 – 70%	
Animal management	More	Less	20 – 30%		70 – 80%	
Building control	More	Less	20 – 30%	0 – 5%	70 – 80%	
City planning	Less	More	60 – 70%	0 – 5%	30 – 40%	
Environmental health	Less	More	60 – 70%		30 – 40%	
Parking enforcement	More	Less	10 – 30%		70 – 90%	

Kaupapa Here Takoha Whakawhanake Development and Financial Contributions Policy



The Development and Financial Contributions Policy has been adopted alongside this Long Term Plan. We have published it as a separate document because it may be updated outside the Long Term Plan cycle.

For more information, the policy is available on our website at upperhutt.govt.nz/DFCPolicy



Kaupapa Here Whakaitinga tāke kaunihera

Rates Remission and Postponement Policies

This policy is made in accordance with sections 102 and 108 – 110 of the Local Government Act 2002 and are applied according to sections 85 – 90 of the Local Government (Rating) Act 2002.

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Objectives

This policy enables Council to:

- Act in an equitable way to help facilitate financial assistance and support for ratepayers, and
- Support core Council activities and essential services, and
- Contribute to Council's priority of resilience with an emphasis on financial sustainability, and
- Address certain anomalies in the rating system.

Commencement

Origin and reviews

This policy was originally adopted by Council with effect on 1 July 2005. The policy was last reviewed in 2021. The 2024 revisions will come into effect on 1 July 2024.

Scope

Limitations of application

Remissions or postponements are only applicable to ratepayers identified in the Council's rating information database, not the occupant of the property.

Remissions or postponements are limited to rates set and assessed by the Council. Council collects rates on behalf of the Wellington Regional Council and has no authority to remit or postpone such rates other than by specific approval of that Council.

Making an application

When required, an application can be made in writing using the form on our website or by contacting Council's Customer Service team.

Decisions

Delegation and conditions

Decisions on the remission or postponement of rates are delegated to Council Officers, except as noted.

All delegations are recorded in Council's delegation manual.

Council reserves the right to impose conditions on any remission of rates or penalties.

Remission of rates

What is it?

Remission of rates involves reducing the amount owing or waiving collection of rates.

Council's rates remission policy considers the following:

- Rates remissions to promote sport, recreation, health, and education
- Rates and/or penalties levied in error
- Rates remission on Māori freehold land
- Rates remission for financial hardship
- Remission of late-payment penalties
- Remissions for natural disasters
- Remissions for economic development
- Remission for miscellaneous circumstances

Rates remissions to promote sport, recreation, health, and education

Objective

The remission of rates to promote sport, recreation, health, and education facilitates the ongoing provision of non-commercial sporting and recreational opportunities. The purpose of granting rates remission to an organisation is to recognise the public good contribution and to assist the organisations to continue operations.

Conditions and criteria

Council will grant a 30 percent remission of rates levied on land which is 50 percent non-rateable in accordance with clause 2 of Part 2 of Schedule 1 of the Local Government (Rating) Act 2002, which is land owned or used by a society or association of persons (whether incorporated or not) for games or sports, except galloping races, harness races, or greyhound races.

Remission of rates and/or penalty errors

Objective The objective of this consideration is to enable Council to act equitably where rating or penalty errors have occurred.

Conditions and criteria On receipt of an application by a ratepayer, or if identified by Council, Council will remit rates and/or penalties where it is demonstrated that the rates or penalty was levied in error by Council.

Remissions of rates on Māori freehold land

Background Section 102 of the Local Government Act 2002 requires Council to adopt a policy on the remission of rates on Māori freehold land. Māori freehold land is that which has the status set out in Part 6 s129(2)(b) of Te Ture Whenua Māori Act 1993.

Policy Council will not remit rates on Māori freehold land, except where its other remissions or postponement considerations apply.

Remissions for financial hardship

Objective The objective of this consideration is to enable Council to address and mitigate the impacts of financial hardship on both individuals and businesses, contributing a community that is resilient and equitable.

Conditions and criteria In the context of this policy, hardship is defined as a situation where the income of a ratepayer reduces to a point where paying rates would significantly compromise the ratepayer's ability to meet their basic needs.

Council will consider remissions under this consideration only where postponement is, in Council's opinion, not suitable.

Each application will be considered on a case-by-case basis, and as well as the evidence presented by the applicant, Council will evaluate whether:

- ① Applicants have demonstrated they are unable to pay rates because of hardship.
- ② Applicants have tried all other avenues to fund their rates.

- ③ The hardship results from demonstrated significant income reduction.
- ④ A history of regular rates payments in Upper Hutt for two years or longer.

Remission of late-payment penalties

Objective The objective of this consideration is to enable Council to act equitably when a ratepayer has made a late payment, attracting penalties, but the late payment is unusual in the context of the ratepayer's payment history and due to an extraordinary circumstance.

Conditions and criteria Council will consider remitting penalties under this consideration where the ratepayer:

- ① has made a payment late, attracting penalties,
- ② has a two-year history of regular payments of rates or a payment plan for rates arrears that is being complied with, and
- ③ can demonstrate that the delay in payment is due to an extraordinary circumstance.

Remissions for natural disasters

Objective To allow Council, at its discretion, to remit rates and/or penalties for any rating unit that has been detrimentally affected by natural disaster (significant event caused by natural hazards such as an earthquake, landslide, flood, storm, or a natural hazard fire) rendering dwellings uninhabitable.

Conditions and criteria Council may remit all or a part of any rate or user charge made and levied in respect of land, if the land is detrimentally affected by natural disaster and its capacity to be inhabited, used or otherwise occupied for an extended period of time is affected.

Council is unlikely to grant a remission where the rating unit affected is in a known hazard prone location.

For the purposes of this policy, 'detrimentally affected' means:

- a rating unit that uninhabitable, unoccupiable or otherwise unusable due to a 's124 notice' being issued under the Building Act 2004 and the residents have been required to move out by the Council; or

- a rating unit that is a total loss; or
- as determined by Council after considering the matters specified in this policy.

In determining whether a rating unit is detrimentally affected and the period for which the rates remission is to apply Council may take into account:

- 1 whether the rating unit is known to be hazard prone,
- 2 the extent to which essential services such as water, or sewerage to any dwellings were interrupted and could not be supplied.
- 3 whether essential services such as water or sewerage to any dwellings are able to be provided.
- 4 whether any part of the dwellings remain habitable, and
- 5 any property revaluation undertaken by Councils valuation provider.

Applications must be received within six months of the event, or within such further time as Council may allow.

The remission will be for such period of time as Council considers reasonable, limited to the time between the event and when buildings are deemed usable, but no less than 30 days after the event.

The decision to remit all or any part of a rate or penalty or user charge shall be at the discretion of Council.

Rates remission for Economic Development

Objective

Rates remissions for economic development provide support for Business Development and Strategic Economic Projects promoting employment and economic development within the city, by:

- Assisting new businesses to become established in the city.
- Assisting existing businesses in the city to expand and grow.
- Assisting the establishment of significant initiatives which are of strategic economic value to the city.

Business development objective

To provide remissions for Business Development projects promoting employment and economic development within the city. These may include commercial and/or industrial developments, involving the construction or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial, or administrative purposes.

Business development conditions and criteria

In determining remissions for business development projects Council will consider the extent to which a project contributes to the following:

- ① The development is of importance for the future economic development of the city, which may be demonstrated by the scale, type or nature of the development.
- ② The number of new employment opportunities the development will create.
- ③ The amount of new capital investment the development will bring into the city.
- ④ The extent that the new development would increase the rating base.
- ⑤ The business demonstrates a long-term commitment to remain and operate in the city. Property ownership or a long-term lease of property may be accepted as a proof of commitment.
- ⑥ The development protects or retains cultural aspects of the city e.g. maintains and protects a heritage building.
- ⑦ The development adds new and/or visually attractive infrastructure/buildings to the city.
- ⑧ The granting of a remission would encourage the development to proceed.

Any remission for a business development project requires the approval of Council based on a formal application. Applications for such projects will be presented to Council at the discretion of the Chief Executive.

Council at its discretion will determine the amount, type and duration of any rates remission granted, and may impose such additional or special conditions as it make think fit in any particular case.

Strategic economic projects objective

Rates remissions for strategic economic projects apply to large, complex projects, that promote employment and economic development in Upper Hutt.

Strategic economic projects conditions and criteria

In determining remissions for strategic economic projects Council will consider the extent to which a project contributes to the following:

- ① The project will make an ongoing strategic economic contribution to the city.
- ② The project will create new and ongoing employment opportunities.

- ③ The project will bring new capital investment to the city.
- ④ The project will provide a point of difference for the city.

Applications for remission for such projects will be presented to Council at the discretion of the Chief Executive.

Council, at its discretion, will determine the amount, type, and duration of any rates remission granted, and may impose such additional or special conditions as it may think fit in any particular case.

Remission for miscellaneous circumstances

Objective

Not all situations in which Council may wish to remit rates will be known in advance and be included in Council policy.

This consideration allows for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of this policy, and where Council considers it equitable to remit rates.

Conditions and Criteria

Council may remit rates and/or penalties on a rating unit where it determines that:

- ① the rates, or a particular rate, assessed on that rating unit are disproportionate to those assessed in respect of comparable rating units; or
- ② the circumstances of the rating unit or the ratepayer are comparable to those where a remission may be granted under the Council's other rates remission policies, but are not actually covered by any of those policies; or
- ③ the circumstances are such that the rates assessed by Council are inequitable.

The amount and duration of a remission using this provision will be determined by Council on a case-by-case basis.

Council reserves the right to impose further conditions on a case-by-case basis.

Approval of this remission will not set a precedent that application of the usual rates unfairly disadvantages other ratepayers.

Rates postponement

What is it?

Rates postponement means that Council allows the ratepayer to delay paying their rates. Ratepayers still have to pay postponed rates, but at a later time. In some cases, rates may be postponed for a set number of years. In other cases, rates may be postponed until a certain event occurs, such as the ratepayer selling their property or dying.

Council's rates postponement policy considers the following:

- Financial hardship
- Māori freehold land

Postponement due to financial hardship

Objective

The objective of this policy is to enable Council to address and mitigate the impacts of financial hardship on both individuals and businesses contributing to a community that is resilient and equitable.

Conditions and criteria

In the context of this policy, hardship is defined as a situation where the income of a ratepayer reduces to a point where paying rates would significantly compromise the ratepayer's ability to meet their basic needs.

Where ratepayers are suffering from hardship Council will, in the first instance, work with them to consider if a payment plan arrangement is a suitable way to address payment of their rates. One or more instalments may be paid in smaller amounts over a period, where such arrangements have been agreed to between Council Officers and the ratepayer.

Where this is not possible, ratepayers may apply for a postponement of all or some of the rates applicable to the rating unit subject to the following conditions:

- 1 Each application will be considered on a case-by-case basis.
- 2 Applicants have demonstrated to the satisfaction of Council they are unable to pay rates because of hardship, having regard to the hardship criteria set out below.
- 3 Applicants must have a previous good history of on time payment.

Relevant considerations for Council will include:

- ① Whether applicants have tried all other avenues to fund their rates.
- ② Whether hardship has been caused by an unforeseen emergency or Civil Defence event.
- ③ If the ratepayer is eligible for the government rate rebate or other support.

If a postponement is granted, the following conditions will apply to the rating unit and ratepayer.

- ① Any outstanding rates still owing at the end of the agreed postponement period will be subject to penalties.
- ② An annual postponement fee may be required. This fee will be calculated as a percentage interest rate and will be used to cover Council's administrative and financial costs.
- ③ Postponed rates may be registered as a charge, by registering a *Notice of Charge* on the Record of Title.
- ④ If the rating unit in respect of which postponement is sought is subject to a mortgage, then the applicant will be required to obtain the mortgagee's consent before the Council will agree to postpone rates.
- ⑤ The postponed rates, or any part thereof, may be paid at any time.
- ⑥ Any postponed rates (under this policy) will be postponed until the earlier of:
 - Ⓐ the ratepayer's death, or
 - Ⓑ the ratepayer no longer owns the rating unit, or
 - Ⓒ the ratepayer stops using the property as their residence; or
 - Ⓓ the end date specified by the Council.
- ⑦ For the rates to be postponed the Council will require evidence each year, by way of statutory declaration, of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.

Hardship criteria

The following criteria will be used to determine hardship, and the applicant must provide evidence to support their claim for postponement:

- ① loss of employment; and/or
- ② a significant reduction in income; and/or
- ③ (for business only) a significant reduction in revenue from the business, over a recent period; and/or
- ④ qualification for a mortgage 'holiday' from the bank; and/or
- ⑤ other third-party evidence that demonstrates significant difficulty to pay rates, and/or
- ⑥ (for business only) qualification for a government emergency financial support package, such as an emergency wage subsidy scheme.

Postponement of rates on Māori freehold land

Objective

Section 102 of the Local Government Act 2002 requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land. Māori freehold land is that which has the status set out in Part 6 s129(2)(b), Te Ture Whenua Māori Act 1993.

Policy

Council policy is that it will not postpone rates on Māori freehold land. However, the conditions and criteria for the postponement of rates provided for within this policy will also apply to Māori freehold land, where applicable.

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Purpose

Upper Hutt City Council engages with our community every day and in many different ways. It can be a one-way simple communication to keep people informed, or it can be a two-way process of consultations or engagement.

Providing certainty

The policy has been developed to provide certainty on:

- When and how Council will engage or consult with communities.
 - What Council will take into account when deciding what is significant.
 - When the community will have a direct opportunity to contribute to decision-making.
-

Aim

Our aim is to have the right conversation with the right people about the right issues before making significant decisions.

This policy outlines the types of things that you can expect to be consulted about, such as the key issues in the Long Term Plan and Annual Plan, a decision that will change a service that you expect and value, or something that will add cost to the ratepayer.

The policy guides Council's assessment of whether an issue or proposal is important (significant) to the community. It gives certainty and clarity that those important decisions will be treated in an agreed way with the community, and that Council will follow the local government rules of engagement and meet the purpose of local government:

*"to enable democratic local decision-making and action by,
and on behalf of, communities..."*
—Local Government Act 2002

Out of scope

Specifically legislated decision-making processes

Many decisions made by Council are governed by specific Acts outside the Local Government Act 2002. These Acts prescribe the decision-making and consultation procedure required. Consequently, there are some decision-making processes that are not within the scope of this Significance and Engagement Policy. These include:

- Resource Management Act 1991
- Civil Defence Emergency Management Act 2002
- Land Transport Act 1998

- Local Electoral Act 2001

Other exceptions

In addition, this policy will not apply and engagement will not be required where:

- in the opinion of the Council, failure to make a decision urgently would result in unreasonable or significant damage to property, or risk to people's health and safety;
- there are any physical alterations to strategic assets that are required to prevent an immediate hazardous situation arising;
- Council must repair an asset to ensure public health and safety due to damage from an emergency or unforeseen situation;
- Council is required to act with urgency due to a crisis.

Special consultative procedure

In addition, Council is required to undertake a *special consultative procedure* on certain matters, as set out in Section 83 of the Local Government Act 2002 (LGA) regardless of whether they are considered significant as part of this policy.

Where Council makes a decision that is significantly inconsistent with this policy, the steps identified in s80 of the LGA will be applied.

Review of the policy

In conjunction with the Long Term Plan

The policy may be amended from time to time. Council will consider making amendments when we prepare a Long Term Plan (every three years).

Amending the policy requires consultation unless Council considers it has sufficient information about community interests and preferences to enable the purpose of the policy to be achieved without consultation.

Application of the Significance and Engagement Policy

This policy applies to any proposal or decision before Council.

This policy is applied in two steps:

- STEP 1** Determine the significance of the proposal/decision.
- STEP 2** Determine whether there is a requirement to engage or not (guided by the level of significance), and if so, the level of engagement.

Council will determine the appropriate time to make the above assessment. This may differ depending on the issue and the type of decision and process. Significance and engagement may be reassessed as a matter progresses.

STEP 1 Determining the degree of significance

Assessment and application

To determine the degree of significance of an issue, proposal or other matter Council must:

- ① Assess the matter against the significance principles outlined below; and
 - ② Apply the criteria to assess the degree of significance.
-

Significance principles

Council will first assess the matter against the following principles:

- The likely impact of the decision on present and future interests of the community.
 - Level of impact on Māori, Māori culture, traditions and values, and their relationship to land and water.
 - Possible environmental, social, and cultural impacts.
 - How the decision aligns with historical Council decisions.
 - The potential effect on delivering Council's strategic aspirations.
 - The impacts on Council's capacity to meet its statutory responsibilities now and in the future.
 - If the matter has already been clearly described in the Long Term Plan (LTP), including the nature and extent of the proposed action.
 - If it is an operational matter not requiring governance consideration or decision-making.
-

Significance as a continuum

Significance can be thought of as a continuum. At one end are matters that are 'not important' (low or no significance) such as a minor technical amendment to a Council policy. At the other end of the continuum are matters deemed to be 'critical' (very high significance) such as a new project that requires substantial, discretionary funding, or a proposed policy change which may significantly change the application of a policy.



Source: Society of Local Government Managers (SOLGM)
Significance and Engagement Policies guide 2014

Criteria to assess the degree of significance

Council will use the criteria in the table below when determining the degree of significance of a proposal, issue or matter:

- (A) Consistency with a prior decision or decisions
- (B) Transfer of ownership or control of strategic assets
- (C) Levels of public interest are known
- (D) Community (as a whole or part)
- (E) Level(s) of service provided by Council and Council’s capacity
- (F) Ability to reverse the decision
- (G) Level of financial consequence

Council will assess the degree of significance of a proposal or decision on a case-by-case basis using the table below and determine the level of significance of a proposal or decision to be high, medium or low.

- 1 If the proposal or decision triggers two or more of the criteria which are under the high significance level column, the level of significance will be deemed to be high (i.e. the proposal or decision will be deemed significant).
- 2 If the proposal or decision triggers three or more criteria which are under the low significance level column, the level of significance will be deemed to be low.
- 3 If the level of significance of a proposal or decision is not deemed to be high (under clause 3) or low (under clause 4), the level of significance will be deemed to be medium.

Where the significance of a proposal or decision is unclear against any of the criterion, Council will treat that criterion as being more, rather than less significant.

DETERMINING SIGNIFICANCE

Criteria	High significance	Medium significance	Low significance
A Consistency with a prior decision or decisions (including current policies and strategies)	Decision or proposal is significantly inconsistent. EXAMPLE <i>A decision or proposal that retires a Council adopted strategy</i>	Decision or proposal is consistent but with some notable variations EXAMPLE <i>A decision or proposal contrary to a public places policy allowing restaurants to use entire width of public footpaths for outdoor entertainment</i>	Decision or proposal is consistent EXAMPLE <i>Adopting a public places bylaw to enforce a public places policy</i>
B Involves the transfer of ownership or control of strategic assets to or from the Council.	Majority transfer (≥ 51%) EXAMPLE <i>Full transfer of an asset</i>	Minority transfer EXAMPLE <i>30% share transfer of an asset</i>	Nominal or no transfer
C Levels of public interest known.	High levels of public interest known. EXAMPLE <i>Adoption of a psychoactive substance policy</i>	Moderate levels of public interest known. EXAMPLE <i>Adoption of an event sponsorship policy</i>	Low levels of public interest known. EXAMPLE <i>Adoption of an elected member support policy</i>
D The degree to which the issue affects the community or the city of Upper Hutt.	Impacts a large proportion of the community. EXAMPLE <i>A change in the rubbish collection timeframes</i>	Impacts a subgroup or groups within the community. EXAMPLE <i>Creation of a neighbourhood playground</i>	Impacts an individual person or household. EXAMPLE <i>Removal of a street tree</i>
E The extent to which a decision significantly alters the intended level of service provision for a group of Council activities (including a decision to commence or cease any such group of activity) or significantly affects the capacity of Council in relation to any activity identified in the Long Term Plan.	Ceasing or commencing a service. EXAMPLE <i>Closure of a facility</i>	A more than nominal alteration of a service. EXAMPLE <i>Digitisation of most hard copy books at the public libraries</i>	A nominal or no alteration of a service. EXAMPLE <i>Undertaking of a tender with a different contractor</i>
F Ability to reverse the decision.	Highly difficult EXAMPLE <i>Constructing a purpose built building, or where Council is legally obliged or committed through contractual arrangements</i>	Moderately difficult EXAMPLE <i>Adoption of a Speed Limit Bylaw</i>	Low difficulty EXAMPLE <i>A minor amendment to a policy</i>

Criteria	High significance	Medium significance	Low significance
<p>G Level of financial consequences in relation to unbudgeted operating cost or capital cost in the Long Term Plan.</p>	<p>Unbudgeted operating cost(s) greater than 5% of total expenses for the financial year of the proposal/decision.</p> <p>EXAMPLE <i>A \$3.1 M unbudgeted increase in lease costs</i></p> <p>and/or</p> <p>Unbudgeted capital cost(s) greater than 1% of total assets in the financial year of the proposal/decision.</p> <p>EXAMPLE <i>Construction of an \$8.38 M unbudgeted building</i></p>		

STEP 2 Determining engagement

Is engagement required, and to what extent?

To determine whether engagement is required on an issue, proposal or other matter—and if so—the extent of engagement, Council will:

- 1 Assess the matter against the engagement principles outlined below; and
- 2 Apply the 'Determining engagement' assessment.

Engagement principles

- The significance of a matter will influence the time and resource Council will invest in evaluating options and obtaining the views of affected and interested parties. Engagement may be required at various stages of the decision-making process and may take different forms depending on the stage. Both significance and the form of engagement will be assessed on a case-by-case basis.
- Council will consider the extent of engagement that is necessary to understand the community's view before a particular decision is made and the form of engagement that might be required. In linking the level of significance to the level of engagement, a balance must be struck between the costs of engagement and the value it will add to the decision-making process.
- Council acknowledges the unique status of Māori and aims to engage with the wider Māori community to ensure their views are appropriately represented in the decision-making process. Council is committed to providing relevant information to inform Māori contribution and improve their access to Council's engagement and

decision-making processes. Council is building relationships with local organisations representing Māori, iwi, and mana whenua.

- Feedback provided by the community to date has identified that the majority of the Upper Hutt community prefers online engagement/communication, and that due to time constraints people must feel strongly about a matter before they will engage with Council.
- With this in mind, Council has moved toward a more effective process of engagement which includes a higher level of digital communication across platforms such as our website and Facebook, in an effort to reach a wider cross-section of the community.

DETERMINING ENGAGEMENT ASSESSMENT

Significance	What we'll do
1 For matters of low degree of significance	When a matter is assessed as having low or no significance, Council will inform the community once a decision is made and is being implemented.
2 For matters that have a medium degree of significance	<p>When a matter is considered to have significance but not regarded as significant, Council is required to make a formal resolution before action may be taken. This requirement excludes matters already covered by the Long Term Plan.</p> <p>A formal resolution is to be obtained by presenting a report to Council, which addresses the requirements identified in the LGA sections 77 – 81.</p> <p>The report to Council will include an assessment of the degree of significance of the issue, and whether engagement and/or consultation is recommended. If engagement and/or consultation are recommended, then an engagement plan will be included in the report.</p>
3 For all matters identified as having a high degree of significance	<p>If an issue is determined as having a high degree of significance, then it is significant and the issue will be considered by Council.</p> <p>This decision requires a report to Council outlining the assessment of the degree of significance of the issues, the degree of engagement proposed, the engagement plan proposed, and a recommendation.</p> <p>Council will apply the principles of consultation (LGA s82) and be guided by the operational guidelines in Schedule 1.</p>
4 Consider if the <i>Special Consultative Procedure</i> is appropriate	<p>Review the issue, proposal or other matter to determine if any of these factors exist:</p> <ul style="list-style-type: none"> ● Development of, review, or amendments to the Long Term Plan ● Preparation of the Annual Plan ● It is considered that the Special Consultative Procedure is relevant and required. <p>If yes, then follow the Special Consultative Procedure in line with LGA sections 83 – 87.</p>
5 Consultation and/or engagement	Council will apply the principles of consultation (LGA s82) and use the operational guidelines in Schedule 1.

Strategic assets

Definition

Defined in s5 of the Local Government Act 2002, an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future wellbeing of the community. As the Significance and Engagement Policy sets out Council's preference about engagement on decisions relating to specific issues, including assets, Council is required to state what its Strategic Assets are at the time of adoption of this policy.

The following are considered to be strategic assets for Upper Hutt City Council in terms of the Act:

- Upper Hutt City primary (regional) and secondary (district) arterial roading routes
- Upper Hutt Civic Centre
- Whirinaki Whare Taonga
- H₂O Xstream aquatic centre
- The Central Library and Pinehaven Library
- Te Kupenga o Rongomai | Maidstone Sports Hub
- Harcourt Park, Trentham Memorial Park, and Maidstone Park
- Upper Hutt City water supply network
- Upper Hutt City stormwater network
- Upper Hutt City wastewater network, including the Upper Hutt City Council share of the Hutt Valley Wastewater network
- Akatārawa Cemetery

For the removal of doubt, each strategic asset is listed as a whole entity, and the term 'strategic asset' does not apply to the individual elements of that asset.

Schedule 1 Operational guidelines for community engagement

Engagement process

Once the level of significance of an issue, proposal or decision has been determined, Council will consider the level and form of community engagement. Depending on the matter being considered and the stakeholders involved, the preferred method(s) or combination of engagement tools will be identified and applied to meet the goals of the specific engagement.

In the course of reaching decisions on a particular issue or proposal at different times and stages, Council may use a variety of engagement techniques. The engagement methods may be adapted, based on a range of other factors, including but not limited to history and public awareness of the issue, stakeholder involvement, timing related to other events or engagement, and budgets.

Council will build on existing relationships and networks with individuals and communities, and look to extend the range of parties involved in the community engagement as appropriate.

Council refers to the International Association of Public Participation (IAP2) engagement spectrum (below) as a basis for methods of engagement before making a decision.

IAP2's Spectrum of Public Participation

IAP2's Spectrum of Public Participation was designed to assist with the selection of the level of participation that defines the public's role in any public participation process. The Spectrum is used internationally, and it is found in public participation plans around the world.



Reproduced with permission from the International Association for Public Participation (IAP2) Federation—www.iap2.org

INCREASING IMPACT ON THE DECISION					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.

Council will consider engagement methods and tools relative to the level of significance. These will support community participation through an engagement spectrum approach, as set out in the following table.

Differing levels and methods of engagement may be required during the varying phases of consideration and decision-making on an issue or proposal. Council will review the suitability and effectiveness of the engagement strategy and methods as the process proceeds.

Schedule 2 Examples of engagement activities⁴⁹

	Public participation goal	Examples of tools Council might use	When the community is likely to be involved
INFORM	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities, and/or solutions.	<ul style="list-style-type: none"> ● Email newsletter to local communities and networks ● Information flyers ● Public notices/info in local newspaper and on Council's website ● Use of social media 	Once a decision is made and is being implemented.
CONSULT	To obtain public feedback on analysis, alternatives, and/or decisions.	<ul style="list-style-type: none"> ● Formal submissions and hearings or the Special Consultative Procedure ● Focus groups ● Community meetings ● Online opportunities to submit ideas/feedback ● Rates inserts ● Display boards 	Once Council has determined an initial preferred position it would endeavour to provide the community with sufficient time to participate and respond.
INVOLVE	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	<ul style="list-style-type: none"> ● Workshops ● Focus/stakeholder group meetings ● Public meetings, drop-in sessions ● Online surveys/forums ● Displays at public venues 	The community or specific communities could be engaged throughout the process, or at specific stages of the process as appropriate.
COLLABORATE	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	<ul style="list-style-type: none"> ● Pre-consultation ● Working groups (involving community experts) ● Community advisory groups (involving community representatives) ● Forums 	The community or specific communities will be engaged from the outset, including the development of alternatives to the identification of the preferred solution.
EMPOWER	To place final decision-making in the hands of the public.	<ul style="list-style-type: none"> ● Binding referendum ● Local body elections ● Delegation of some decision-making to a community 	The community or communities will be engaged throughout the process to ensure ownership of the development of alternatives, identification of the preferred solution(s), and delegated decision-making on the preferred solution.

49 Adapted from the IAP2 Spectrum of Public Participation. Tools may be applicable across multiple levels of engagement.

Schedule 3 Special Consultative Procedure

What is the Special Consultative Procedure?

The Special Consultative Procedure is a formal consultation process that must be carried out in certain circumstances. Council may also decide to use the special consultative procedure, if it wishes, for any other significant decisions.

The law requires us to use the Special Consultative Procedure for:

- Making, amending or revoking a bylaw.⁵⁰
- Adopting and amending our Long Term Plan.
- Other acts if expressly required by laws.

Under the Special Consultative Procedure we must:

- Develop a Statement of Proposal and if considered necessary, a Summary, and make them widely available.
- Allow a minimum feedback period of one month.
- Ensure people are given the opportunity to present their views to Council at a hearing.

Hearings and feedback

Location Hearings will generally be held in Upper Hutt City Council Chambers, 838 – 842 Fergusson Drive, Upper Hutt.

Online presentations Council can allow any person to present their views to the local authority by way of audio link or audio-visual link.

Interpretation If we're asked to do so, Council may enable interpretation for/to New Zealand's other official languages—Te Reo Māori and New Zealand Sign Language—where practical.

Decision and communication Following the conclusion of the consultation and/or engagement process, Council will be required to make a decision.

Once a decision has been made, the community will be informed of the decision made using a method appropriate to the nature of the consultation (for example this may range from public notices to direct communication to submitters).

⁵⁰ According to the Local Government Act 2002 Part 8 Section 156, Council does not need to use the Special Consultative Procedure if the change is minor or a correction of an error which does not affect existing rights. In such case, the change can be made by resolution, publicly notified.

Schedule 4 Definitions

Activity	Refers to the list of Council Activities identified in the Long Term Plan, which is a service or function provided by, or on behalf of, Council.
Community	A community, for the purposes of this policy, is a group of people with a shared or common interest, identity, experience or values. For example, cultural, social, environmental, business, financial, neighbourhood, political or spatial groups. 'The community' refers to all of the people that are a part of the diverse communities in Upper Hutt.
Decisions	Refers to the decisions of Council by formal resolution at Council and Council Committee meetings. It also refers to decisions made by officers or others under delegated authority.
Engagement	Is a term used to describe the process of establishing relationships, sharing information, and seeking feedback from the community to inform and assist decision-making. Engagement is an important part of participatory democracy within which there is a continuum of community involvement.
Having significance	Significance is a continuum and as an issue moves along the spectrum (from low to high) Council assigns it an incremental level of significance. If a matter is determined to 'have significance' then it will require a formal resolution from Council before action can be taken.
Not significant	The issue/decision does not trigger the policy criteria or thresholds.
Operational matters	The matter concerns the day-to-day operations of Council, is carried out under delegated authority, and is in accordance with the Long Term Plan, Annual Plan or relevant legislation
Significant	In relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or matter has a high degree of significance.
Significance	The degree of importance of an issue, proposal, decision, or matter, as assessed by Council, in terms of its likely impact on, and likely consequences for: <ul style="list-style-type: none"> ① the district or region; ② any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; ③ the capacity of the local authority to perform its role, and the financial and other costs of doing so (as described by the Local Government Act).

**Special
Consultative
Procedure**

.....

This is a formal process which enables the community to have a say on a significant decision. Council will take the community's views into account before making a decision. This is a more formal process than inviting feedback. There are rules about how we undertake special consultation (see Schedule 3: Comments are treated as formal submissions which will be made publicly available and submitters can choose to present their views at a hearing before elected members).

.....

**Strategic
aspirations**

Refers to any high level, direction setting goal or document that Council aims to deliver, including the city vision priority areas, which represent the community outcomes for the city.

.....

Strategic asset

An asset or group of assets as defined in Local Government Act s5.

Ngā ringaringa me ngā waewae o te Kaunihera

Council-controlled organisations

344 What is a council-controlled organisation

Whirinaki Whare Taonga

347 Te Aka o te Kupenga Maidstone Park Trust

348 Wellington Water Limited

What is a council-controlled organisation?

The Local Government Act 2002, section 6, defines a council-controlled organisation (CCO) as one in which a Council or group of Councils controls more than 50% of the voting rights, or the power to appoint more than 50% of trustees or directors.

Upper Hutt City Council has three CCOs

- **Whirinaki Whare Taonga (Whirinaki)** is a CCO because Council has the right to appoint 50% or more of the trustees.
- **Te Aka o te Kupenga Maidstone Park Trust (Te Aka o te Kupenga)** is a CCO because Council has the right to appoint 50% or more of the trustees.
- **Wellington Water Limited (WWL)** is a CCO because one or more local authorities hold more than 50% of the shares in the company.

What's included in our financial reporting

For the purposes of financial reporting, Whirinaki and Te Aka o te Kupenga (the Trusts) are consolidated into the group financial statements of Upper Hutt City Council because they meet the criteria under the accounting standard PBE IPSAS 35 *Consolidated Financial Statements*. WWL does not meet the criteria which is based on the degree of Council's control in each CCO. Council is deemed to control the Trusts for financial reporting purposes, but as a minority shareholder in WWL, Council is not deemed to have control.

The CCOs contribute to Council's vision for Upper Hutt

'We have an outstanding natural environment, leisure and recreational opportunities, and we are a great place for families to live, work and play.'

Whirinaki Whare Taonga

History

The Trust known as Whirinaki Whare Taonga (the Trust) shares its name with the event and gallery space adjacent to Council's Civic Centre on Fergusson Drive and is a charitable trust originally established by the Council in 2001 as The Upper Hutt Cultural Centre Charitable Trust. It became known as Expressions Arts and Entertainment Trust in 2002 and Whirinaki Whare Taonga in 2022.

Subsidiaries

Whirinaki Whare Taonga has no subsidiaries.

Nature and scope of activities

The Trust’s purpose is the advancement of, and education in, cultural activities, the arts, recreation, and leisure.

The Trust operates the exhibition and events facility known as Whirinaki Whare Taonga next to the Civic Centre on Fergusson Drive.

Policies and objectives relating to ownership and control

Council’s primary objective for the Trust is that it successfully operates Whirinaki Whare Taonga for the benefit of Upper Hutt residents.

Council supports the Trust through a rent-free lease of the land and buildings it occupies, and payment of an annual operating grant.

Key performance targets

The Trust sets its performance targets annually with the Council through its Statement of Intent. A summary follows.

Non-financial targets

- 14 exhibitions are presented annually. Ten public programmes across the exhibitions are presented.
- One significant exhibition (block buster) annually.
- At least two of the 14 exhibitions will have an interactive or alternative engagement elements specifically aimed at children and family audiences.
- A minimum of two exhibitions to reflect the diverse and distinct communities of Upper Hutt annually.
- One exhibition with a local Upper Hutt social/cultural history focus will be presented annually.
- One touring exhibition every two years.
- Local iwi and the Ōrongomai Marae community are involved with curatorial practice and presentation of programmes through consultation and engagement, where appropriate. Te Reo will also be visible across the Centre.
- A minimum of three Te Ao Māori exhibitions presented annually.
- 90% of respondents surveyed in Council’s community surveys are satisfied or very satisfied with the range and quality of events and exhibitions.
- Visitors will tell us about the positive impact their participation in exhibitions, experiences and programme has had on them.
- Five performing arts programmes are presented.

- Connect, support, and collaborate with the local arts community through regular networking activities and events.
- Actively promote information about local arts, culture, and heritage activities in an arts communication strategy.
- Provide opportunities for local and national artists to sell work with at least four (4) exhibitions having works for sale.
- Develop a number of free and accessible hands-on outreach art activities and cultural events.
- Develop and maintain an Upper Hutt visual and performing arts directory.
- A regular gallery programme for preschool children 'Little Whirinaki.'
- Education programmes are presented to at least 2,000 students each year.
- An annual art award is provided.
- One artwork is installed through the city's public spaces per year.
- Four *Friends of Whirinaki Whare Taonga* events are held annually and four newsletters presented annually.
- 110,000 visitors to the Centre annually (by Whirinaki Whare Taonga in-house monitoring).
- A café licensee is retained on site.
- Assist and advise 10,000 customers per year through the *isite* facility.
- One exhibition every two years featuring works from the Pumpkin Cottage Collection.
- A study is completed into conserving and increasing access into the heritage properties of Golder Cottage and The Blockhouse.

Financial targets

The Trust is not expected to return a profit to Council and does not have financial targets. Its accounts are consolidated with Council's.

Te Aka o te Kupenga Maidstone Park Trust

History Te Aka o te Kupenga Maidstone Park Trust (Te Aka o te Kupenga) was established by Council in November 2022 to be a community-led organisation to operate Te Kupenga o Rongomai – Maidstone Sports Hub, Te Kupenga o Rongomai signed a Management Agreement with Council in October 2023.

The new entity has taken over responsibilities previously held by Maidstone Park Trust. The facility’s new name was gifted by Te Ati Awa, with support from Ngāti Toa and Ōrongomai Marae.

Te Kupenga o Rongomai was part of a \$31.8 million community and recreation development project at Maidstone Park and supported by \$15 M of central Government “shovel-ready” funding. It opened in early 2024.

Subsidiaries Te Aka o te Kupenga Maidstone Park Trust has no subsidiaries.

Nature and scope of activities Te Aka o te Kupenga’s primary purpose is to manage and operate community facilities at Maidstone Park for the benefit of Upper Hutt and its communities and towards the promotion and support of participation in sport, recreation and other leisure-time activities.

Policies and objectives relating to ownership and control Council’s primary objective for Te Aka o te Kupenga is that it successfully operate Te Kupenga o Rongomai – Maidstone Sports Hub and some other ancillary services on the park for the benefit of Upper Hutt residents.

Council supports Te Aka o te Kupenga through a rent-free lease of the land and buildings it occupies, and payment of an annual Management fee.

Key performance targets Because Te Aka o te Kupenga is within its first 12 months of establishment it has not yet set any performance targets with Council. Baseline performance will be measured in its first year and then targets set accordingly through its Statement of Intent for the following financial years.

As part of its establishment, Te Aka o te Kupenga has entered into a Management Agreement with Council under which it provides certain services to Council including:

- Maintenance and upkeep of assets it manages.
- Ensuring a manager oversees operations of its assets and they are made available for sporting and other recreational activities.
- Determine user charges, subject to certain limitations and priority rules protecting the interests of Anchor Sports.
- Arrange advertising and promotion.
- Manage relationships with key stakeholders.
- Undertake reporting and compliance.

Te Aka o te Kupenga will not be expected to provide a financial return to Council.

Wellington Water Limited

History

In 2008, a review of Council's infrastructure services was undertaken. The review found that:

- Qualified engineers were in short supply globally, and the employee value proposition of local authorities in New Zealand does not match the attraction of high paying overseas jobs.
- Staff at Council were overloaded and the cost of consultants to fill the gap were increasing.
- Increased strategic planning and capacity to draft reports, estimates, and analyses was required.

In response, it was decided to outsource the water and drainage management services to Capacity Infrastructure Services Limited (Capacity) which was a Council Controlled Trading Organisation (CCTO), jointly owned by Wellington City Council and Hutt City Council. The proposal from Capacity was expected to save money and provide the capacity required.

In 2012, a proposal was received by Council from Capacity recommending that Capacity transforms into an outcome focused business model, and to incorporate Upper Hutt City Council and Porirua City Council as shareholders.

The key issues the recommendation sought to address were:

- lack of efficiency in costs and service level management;
- lack of transparency and accountability within the regional water industry arising from the retention of cost and reputation risks by Councils;
- limited scope for pursuing options for adopting a 'whole of network' approach; and
- getting ahead of the Central Government consolidation agenda.

Wellington Water Limited (WWL) was established in September 2014 and is now owned by Hutt, Porirua, Upper Hutt, Wellington City and Greater Wellington Regional Council (19% each), and South Wairarapa District Council (5%).

The councils are all shareholders, but do not receive dividends as the purpose of the company is to provide a service to the shareholder-councils rather than to provide a financial return.

A representative from each council sits on the Wellington Water Committee that provides overall leadership and direction for the company.

The company is governed by a board of independent directors appointed by the Wellington Water Committee.

Subsidiaries

Wellington Water Limited has no subsidiaries.

Policies and objectives relating to ownership and control

Council's principal objectives in owning WWL are:

- WWL provide safe drinking water, readily available to customers (across the Wellington region)
- Wastewater treatment services protect people and the environment from wastewater contaminants.
- The way we work results in a balance in the interests of water, people, and the environment.
- The region's networks are resilient; they operate effectively irrespective of natural shocks and environmental factors.
- We have a capable, adaptive, and collaborative workforce using innovative practices and exchanges of knowledge to drive optimal performance.

Nature and scope of activities

Wellington Water Limited:

- manages Council’s water assets under contract including day to day operation, maintenance, development and replacement;
- undertakes asset management planning; and
- provides input into Council’s resource consenting and building control functions.

WWL’s annual activities are set in conjunction with its other shareholder-Councils through its Statement of Intent.

Detailed information about WWL’s objectives and performance are available on its website, wellingtonwater.co.nz

Key performance targets

WWL’s annual performance objectives are set in conjunction with its other shareholder-councils through its *Statement of Intent*.

Non-financial targets

In summary, its performance objectives are to achieve measured success in the following areas:

- 1 Compliance with the Department of Internal Affairs standards for drinking water, including safety of drinking water and reticulation system adequacy.
- 2 Fault response times agreed with Councils.
- 3 Customer satisfaction.
- 4 Demand management.
- 5 Discharge compliance.

Detailed information about WWL’s objectives and performance are available on its website, wellingtonwater.co.nz

Financial targets

WWL is not expected to make a financial return to Council.