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Section 1: Introduction

Liability and investment management is the management of the Council's cashflow and investments to ensure that there are sufficient funds held to meet commitments as required at a reasonable cost, and that in the meantime an adequate return is achieved on surplus funds. It includes management of risk to ensure Council's exposure from borrowing is controlled.

Council must act in a responsible manner and must therefore put in place a risk management policy and control procedures of a high standard to ensure Council's assets are protected.

Council must also look to utilise investment funds for internal debt purposes so that external borrowing is minimised and Council keeps borrowing costs to a minimum.

Section 2: Liability Management and Investment Objectives

- (a) To ensure Council can meet its commitments as they fall due, in both the short and long-term, through active cash flow and investment management.
- (b) To effectively manage the Council's exposure to interest rate risk on borrowings such that the risk is within acceptable levels.
- (c) To select methods of long-term financing from amongst the various financial alternatives which provide the least cost for best advantage.
- (d) To effectively manage the Council's return on its investments through the management of interest rate risk to within acceptable levels.
- (e) To protect Council's investments by reviewing credit worthiness of institutions with whom Council has invested.
- (f) To ensure internal controls are adequate, in place and followed such that funds are invested and borrowed in accordance with Council policy.
- (g) To ensure all requirements/restrictions under legislation are met/followed, and that new legislation is advised to the appropriate staff in sufficient time to be understood and followed.
- (h) To utilise internal borrowing to keep borrowing costs to a minimum and to protect Council against adverse interest rate movements.

Section 3: Liability Management and Investment Operational Procedures

Conclusive, valid procedures are required to minimise Council's exposure to financial risk due to mismanagement, error, fraud or unauthorised use of financial products or methods of financing.

Documented liability management and investment operational procedures will be prescribed by the Corporate Services Group Manager.

These procedures must ensure that:

- (a) there is a clear segregation of duties between persons negotiating treasury arrangements and those authorising financial arrangements
- (b) the recording of financial transactions is independent from those persons able to authorise those transactions
- (c) all financial transactions are confirmed immediately in writing to counterparties carrying signatures of two authorised officers (see Appendix A for deal ticket)
- (d) written confirmations from counterparties shall be received by a person not previously associated with a transaction
- (e) financial transactions are only with approved counterparties
- (f) financial transactions comply with legislative requirements
- (g) there are appropriate mechanisms for the monitoring and reporting of investments and borrowings to Council
- (h) borrowing can only be in New Zealand dollars.

A Summary Treasury Management Report shall be presented monthly to the Finance and Development Committee. This report must contain:

- a detailed commentary of significant movements in interest rates, borrowings and investments – this should include a forecast of future trends
- details of current interest rates for short and long-term deposits plus comparative rates for the previous month, six months and 12-month period
- a self explanatory schedule of investments held with financial institutions which discloses maturity date, amount and interest rate and average earning rate
- details of any synthetic instruments which are in place
- a borrowing report which shows:
 - the general fund position (bank account balance and short term borrowings)
 - a summary of loans held which show details of the repayment schedule
 - separate disclosure of internal loan details
- a statement on whether or not the Liability Management and Investment Policy has been complied with over the period reported on – if not, reasons must be given and details of action taken to come within policy
- details on levels of other investments held (for example, Council's involvement in the Waikato Regional Airport Limited).

Delegated authorities and key internal controls are outlined in Appendix B.

Section 4: Cashflow and Borrowing

(a) Repayment Schedule

The nature of the Council's debt is primarily related to the purchase and creation of long-term assets. The costs of financing these assets should be spread over the useful life of the asset and reflect the benefits to the ratepayers who are paying it off. This is applying the concept of intergenerational equity which is implicit in the Local Government Act 2002 (LAG).

Due to interest rates fluctuating debt repayment dates should be staggered to spread the risk of interest rate increases and ensure greater benefit from interest rate movements.

The following debt repayment schedule limits are set to provide flexibility:

- (i) the debt repayment schedule in any 12-month period should not exceed 30% of total borrowings
- (ii) the amount of debt repayment schedule in any one calendar month should not exceed 10% of total borrowings.

Reasons for departure from policy must be included in the Treasury Management Report to the Finance and Development Committee.

(b) Credit Exposure Policy

Council will also monitor its credit exposure by updating the approved counterparty list and associated ratings on an annual basis. The committed facility which Council has in place also provides protection against the default of any lender.

(c) Sources of Funds

- (i) Borrowing (Secured or Unsecured)
Appropriate borrowing counterparties are:
 - NZ Government
 - ANZ Bank
 - BNZ Bank
 - National Bank
 - Westpac
 - Hong Kong Bank
 - ASB Bank.
- (ii) Borrowing by Hire Purchase
The counterparties shall be the open market.
- (iii) Internal Borrowing
As a result of accumulated surpluses, specific reserves and depreciation reserves, Council is able to utilise internal funds in lieu of external borrowings.

(d) Liquidity Policy

The following borrowing facilities must be available:

- (i) overdraft facilities with the Council's bankers to a maximum of \$0.5million
- (ii) a bank committed facility (optional overdraft facility) up to a maximum limit of \$1.0million which may only be used to provide funding in the event of a disaster (eg civil defence).

These two facilities provide liquid funds to meet unexpected cash expenditure or revenue shortfall. In the foreseeable future, these facilities are seen as meeting all Council's reasonable liquidity needs.

To facilitate the management of the Council's cashflow and investments a ten-year cashflow forecast shall be prepared of which the annual cashflow must be updated monthly and be monitored by the Corporate Services Group Manager.

(e) Internal Borrowing Facilities

Prior to making any commitment to borrow externally, consideration must be given to the availability of funds internally. This requires consideration of cashflow implications and the likelihood of the funds being required.

Funds may be borrowed on a fixed or floating basis. Specific loan documentation must be prepared and the loan duly authorised by the Corporate Services Group Manager.

The borrowing rate to be applied for the loan will be halfway between the rate at which Council could invest and the rate at which Council could borrow on the particular day the loan is required and for the appropriate term. This rate may be revised by the Finance and Development Committee if there is a shift in external markets.

Details surrounding internal loans (amount, interest rate, maturity date, fixed or floating) are to be included as part of the monthly report to the Finance and Development Committee.

(f) Loans to related organisations
Council will consider and grant if appropriate, loan applications to related organisations based on loan rates determined on the same basis as internal loans. Examples of related organisations might be:

- Raglan Kopua Holiday Park
- Woodlands Trust
- other organisations on Council owned or controlled land.

Any loans considered to related organisations must be on a commercial basis. The interest rate used for internal loans is consistent with this commercial approach.

(g) Other Loans

Council has a small amount of loan funds available (currently \$38,000) which arose from funds provided by the Hillary Commission. The funds now belong to Council. Council has continued with the policy on loaning this funding to sports clubs, but loans are now on a commercial basis on the same terms as internal loans.

(h) Use of Long-Term Loan Funds

Long-term loan funds are only to be used for funding capital items.

(i) Security

Security for borrowing will be the ability to levy rates unless expressly authorised by the Finance and Development Committee.

(j) Debt Repayment

The balance of Council's external debt is historical, and therefore Council still has sinking funds to facilitate repayment at the maturity of each loan. New loans are mainly internal and regular principal payments are made from revenue to reduce loan balances. New external loans will be uplifted on the basis of reducing balance loans (principal repaid progressively).

Section 5: Interest Rate Exposure

To obtain greatest benefit from movements in interest rates a mix of floating and fixed rate debt is required. The mix must reflect the Council's perception of future interest rate trends but must also be conservative to protect Council's investment.

The following limits are set to maintain the appropriate mix of floating and fixed interest rates.

The mix of fixed borrowings is to be at least 50% of the total debt portfolio. The spread of fixed borrowings have been established as follows:

- 1-3 years: 25% minimum (of the total fixed borrowings)
- 3-5 years: 25% minimum (of the total fixed borrowings)
- over 5 years: 10% minimum (of the total fixed borrowings).

Section 6: Borrowing Limits

The following guidelines will assist in the process of prudent debt management.

- (a) Total cost of public debt (interest and sinking funds/principal repayment) in any financial year must not exceed 15% of General Rate revenue (including UAGC) for that financial year.
- (b) The total liabilities to assets ratio should not exceed 8%. This ratio measures all liabilities against all assets.
- (c) The long-term debt to equity ratio should not exceed 5%. This ratio measures long-term debt (excluding current portion repayable within 12 months) against ratepayers equity. It reflects the balance between long-term borrowings and ratepayers equity in the capital structure.
- (d) Repayment of debt shall not be less than 3% of General Rate income (including UAGC) for that year.
- (e) Standard and Poors minimum credit rating for approved counterparties as follows:
 - short-term A1
 - long-term A.

Section 7: Investment Limits

(a) Maximum Investment Limits

The following maximum investment limits are to be applied.

- (i) Investments in New Zealand Government and Government guaranteed securities are unlimited.
- (ii) Investments in local authority stock which are secured on rates are unlimited.
- (iii) The investment limit to any one counterparty should be dependent upon their credit rating with the exception of those listed in (i) and (ii) above. The following limits should be applied to the various categories of credit ratings.

Short Term Rating	Long Term Rating	Maximum Limit	% of Total Investment
A1	AAA AA+ AA AA-	\$3 million or 25% of total investment portfolio with any one financial institution	100%

Explanation of Credit Ratings

Short Term		Long Term
	Extremely strong capacity to meet general financial obligations	AAA
A1+	Very strong capacity to meet general financial obligations	AA+ AA
A1	Strong capacity to meet general financial obligations	AA A+ A
A2	Satisfactory capacity to meet general financial obligations	A-

(iv) Investments are to be split between fixed and floating components as follows.

- Fixed term investments are to be for periods of at least 12 months. A minimum of 20% of total investments are to be fixed term investments. To spread the risk on the profile of investments, the following principles have been adopted:
 - 1-3 years: 15% minimum (of the total fixed term investments)
 - 3-5 years: 15% minimum (of the total fixed term investments)
 - over 5 years: 5% minimum (of the total fixed term investments).
- For similar risk reduction controls, at least 10% of the total investment portfolio amount must be invested in floating rate investments from call (overnight) to a maximum of 30 days money market deposits. This is to ensure there are sufficient cash resources for working capital.

(b) Acquisition of New Investments

Council has adopted a conservative approach to its fiduciary duty to ratepayers. It will generally rely on proven investments (such as cash) but may invest in shares or property where specified criteria are met. These criteria are outlined in paragraph 7(g).

When considering new investments, Council will undertake public consultation in relation to strategic assets or where the issue is considered to be significant. Reference should be made to Council's Policy on Significance for further clarification.

(c) Approved Issuers of Securities

The following counterparties currently meet the criteria defined in paragraph 7(a) and are considered appropriate to invest with:

- New Zealand Government
- Reserve Bank
- Local Authorities
- ANZ Bank
- ASB Bank (floating investments only)
- BNZ Bank
- National Bank
- Westpac.

Counterparties shall be subject to an annual review and reassessment in December each year or when any movement in their credit rating is notified. The result of this review will be reported to the Finance and Development Committee.

Any other counterparties that become appropriate to invest in may be added to the approved list with the agreement of the Finance and Development Committee.

Those approved counterparties that at any time fail to meet the investment criteria shall be deleted from the approved counterparties list.

(d) Types of Cash Investments

Council's general, special, reserve or loan funds will be spread by institution and instrument having particular consideration to the type of funding being invested, the fund's cashflow requirements, interest rates available, and the risk of default.

The following cash investments are considered appropriate with approved counterparties:

- Government Securities
- Local Government Securities
- Government Treasury Bills
- Bank Money Market Call Deposits
- Bank Term Deposits

(e) Trust Funds

Any funds held by Council that are subject to a form of trust deed will be administered according to the conditions of the appropriate trust deed.

(f) Special Funds and Reserve Funds

From time to time the Council establishes special funds or reserve funds. These funds or reserves will be funded according to the conditions set out at the time of establishing the fund or reserve (or as amended by Council resolution). The funds will be invested in line with paragraph 7(d) and the income derived from the investments added to the fund or reserve or retained in Funds Management to reduce the General Rate requirement.

(g) Other Investments (eg Shares or Real Property held for Investment Purposes)

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

- to act in the best interests of the community
- legislative authority to hold such investments
- the degree of equity interest or control able to be exercised
- prudence generally
- the likely returns on the investment compared with lower risk investments
- re-saleability of real property held for investment purposes
- to promote the development of the district
- to reduce the reliance on traditional revenue sources (such as rates)
- other advantages.

(h) Specific Investments

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

- Tanlaw Corporation Limited - This company is a wholly owned LATE, which commenced operations in 1992. It is a contracting business for physical works. The Council holds shares in this organisation as this operation provides roading and related services, which are seen as being part of the core business of Council.
- Waikato Regional Airport Limited - In December 1995, the Council, along with four other Waikato local authorities, purchased the Crown's 50% shareholding in Waikato Regional Airport Ltd. The purchase increased Council's shareholding to 15.625%. Council considers that the airport is a significant infrastructural asset for the region and is important for economic growth and development. For this reason, the Council has elected to retain its shareholding. In addition, the LG Act defines shareholding in an airport as a strategic asset.
- Civic Assurance - This company evolved from the former Municipalities Insurance Co-operative and New Zealand Local Government Insurance Corporation. The reason for Council holding shares is that as a member of the Co-operative, the Council was entitled to a shareholding related to the level of its premiums. This is not seen as core business for Council but previous attempts to sell its shareholding have failed because there is no ready market for these shares. The LG Act specifically excludes Civic Assurance so that it is not classified as a Council Controlled Organisation.

Section 8: Disposal and Application of Proceeds of Investments and Asset Sales

In order that Council can maintain a suitable level of investment, spread its risk in the management of those investments and ensure compliance with any approved asset management plans, financial plans or the Waikato District Strategic Plan, it is necessary to have a procedure in place for the disposal and application of proceeds of investments.

Unless expressly authorised by Council resolution, funds arising from the disposal of assets (other than vehicles and light plant) will be transferred to the appropriate reserve. If the assets are subject to legislative restrictions, the proceeds are to be used in accordance with the provisions of the appropriate legislation.

Any disposition of revenue from investments must be used to meet the objectives of the fund from which the revenue is derived, unless otherwise specifically authorised by Council.

Section 9: Reporting

Reports	Frequency	Prepared By	Approved By	Recipient
Summary Treasury Management Report (refer Section 3)	Monthly	Accountant, Financial Services	Corporate Services Group Manager	Finance and Development Committee
Liability Management and Investment Policy	Every three years	Corporate Services Group Manager	Finance and Development Committee	Waikato District Council
Sinking Funds	Monthly	Accountant, Financial Services	Corporate Services Group Manager	Finance and Development Committee
Counterparty List	Annually	Accountant, Financial Services	Corporate Services Group Manager	Finance and Development Committee

Meetings

A monthly meeting is to be held to discuss and review the reports, forecasts and proposed strategies. Attendees at this meeting should be:

- Corporate Services Group Manager
- Accountant, Financial Services.

Performance Measures

- Total cost of public debt (interest and sinking funds/principal repayment) in any financial year must not exceed 15% of General Rate revenue (including UAGC) for that financial year.
- A maximum of 10% of core debt may be repriced in any calendar month.
- Debt repayment schedule in any 12 month period should not exceed 30% of total borrowings.
- Total liabilities to assets ratio should not exceed 8%.
- The long-term debt to equity ratio should not exceed 5%.
- All borrowing should be through a tender process unless prior approval from the Corporate Services Group Manager is granted.
- Security for borrowing will be the ability to levy rates unless expressly authorised by the Finance and Development Committee.
- Fixed term investments are to be for periods of at least 12 months. A minimum of 20% of total investments are to be fixed term investments. To spread the risk on the profile of investments, the following principles have been adopted:
 - 1-3 years: 15% minimum (of the total fixed borrowings)
 - 3-5 years: 15% minimum (of the total fixed borrowings)
 - over 5 years: 5% minimum (of the total fixed borrowings).
- For similar risk reduction controls, at least 10% of the total investment portfolio amount must be invested in floating rate investments from call (overnight) to a maximum of 30 days money market deposits. This is to ensure there are sufficient cash resources for working capital.
- The mix of fixed borrowings is to be at least 50% of the total debt portfolio. The spread of fixed borrowings have been established as follows:
 - 1-3 years: 25% minimum (of the total fixed borrowings)
 - 3-5 years: 25% minimum (of the total fixed borrowings)
 - over 5 years: 10% minimum (of the total fixed borrowings).
- Repayment of debt shall not be less than 3% of General Rate income (including UAGC) for that year.

Section 10: Interest Rate Synthetic Contracts

The following interest rate risk management instruments (refer Appendix E for definition) may be used for interest rate risk management activity after seeking formal approval from the Corporate Services Group Manager, unless the amount exceeds \$1,000,000 when approval of the Finance and Development Committee is required.

These instruments may be used for both investment or borrowing risk management but utilisation of them will be minimal due to the amount and form of Council's investment and debt portfolios:

- forward rate agreements
- interest rate swaps
- purchase of interest rate option products including caps, floors and collars.

Interest rate synthetic contracts may only be entered into with approved counterparties as shown in paragraph 4(c).

Appendix A

Transaction Type:	<input type="text"/>
Transaction Date:	<input type="text"/>
Counterparty:	<input type="text"/>
Face Value:	<input type="text"/>
Maturity Date:	<input type="text"/>
Days to Maturity:	<input type="text"/>
Settlement Day:	<input type="text"/>
Amount Payable: \$	<input type="text"/>
Interest: \$	<input type="text"/>
Capital: \$	<input type="text"/>
Prepared By:	<input type="text"/>
Approved By:	<input type="text"/>
Date:	<input type="text"/>

Appendix B

AUTHORISATION FOR ACTIVITIES

Activity	Authorised Position(s)
Alter policy document	Finance and Development Committee
Approve borrowing facilities	Corporate Services Group Manager
Negotiate borrowing facilities	Finance Manager
Ensure borrowing facilities are within policy parameters	Finance Manager
Open/close bank accounts	Finance and Development Committee
Cheque signatures	Finance and Development Committee – see Appendix C
Electronic banking signatures	Finance and Development Committee – see Appendix D
Cash management and investment activity transaction	Finance Manager

Appendix C

CHEQUE SIGNATORIES

- Chief Executive
- Corporate Services Group Manager
- Business Manager
- District Solicitor
- Community Assets Group Manager
- Environmental Services Group Manager
- Finance Manager
- Rates and Revenue Accountant

Appendix D

ELECTRONIC BANKING SIGNATURES

- Corporate Services Group Manager
- District Solicitor
- Finance Manager
- Rates and Revenue Accountant

Appendix E

GLOSSARY OF TERMS

Accruals

Entries made in Council's books of account to record amounts due to or by Council which have not yet been settled in cash but relate to the period of time being reported on.

Bank Accepted Bills

An investment guaranteed by a bank but drawn on a third party.

Core Debt

Borrowing which is required to fund long-term asset purchases and development. Core debt does not include borrowings required for day-to-day operations.

Counterparty

The other legal entity with whom Council enters into a contract.

Deal Tickets

Preprinted forms to record financial transactions entered into by Council (see Appendix A for example).

Derivatives

In general terms, a derivative is a transaction which is a bilateral contract or payments exchange agreement whose value derives, as its name implies, from the value of an underlying asset or underlying reference rate or index. Examples of underlying items are interest rates, exchange rates, commodities, equities and other indices. Derivatives may also include standardised futures and options on futures that are actively traded on organised exchanges, and securities such as call warrants.

Electronic Banking

Transmission of funds or information by electronic means. Council currently uses the Bank of New Zealand's electronic system.

Floating Interest Rate

This is where the rate is determined by the Bank Bill Mid Rate (BBMR) on Reuters and is usually the same for both payers and receivers of the floating rate.

Forward Rate Agreement (FRA)

This is where an interest rate is fixed at a specified date to protect against rising interest rates.

Hedging or Risk Management Instruments

The actual contracts used to offset perceived financial risk.

Hedging Techniques/Policy

Where Council enters into contracts to offset perceived financial risk.

Interest Rate Cap

This sets an upper limit to a floating interest rate, ie once the floating rate reaches this limit the interest rate becomes fixed until the rates

fall below this level again.

Interest Rate Collar

This is a combination of the cap and the floor (see below), whereby an upper and lower limit is set and the interest rate may float in between.

Interest Rate Floor

This sets a lower limit on a return on investments in the same way as the cap sets the upper limit on borrowings.

Interest Rate Swaps (IRS)

This is where a fixed interest rate is swapped for a floating rate or vice versa with no change in the structure of the underlying investment or borrowings.

Liquidity

The short-term availability of funds. Liquid assets are cash and other assets readily convertible into cash (quick assets).

Long-Term Loan

Loans taken out for a period of three or more years.

Market Wholesale Parcels

Those amounts of Council stock which can readily be traded in the financial markets, not normally less than \$500,000.

Maturity Profile

The dates when loans mature.

Overnight Money Market

A market operated by financial institutions where funds can be borrowed or invested on a short term basis usually overnight.

Public Equity and Accumulated Funds

The accumulation of ratepayers funds which have been invested in Council assets as shown in Council's Annual Accounts.

Renewal Loan

A loan which refinances previous stock issues which mature within the maximum term specified by the original loan authority.

Risk Management

Treasury operations create risk for Council from interest rate movements, having sufficient cash on hand to meet obligations, and from foreign exchange movements. These risks have to be managed.

Security

In the event of default on loan repayment, this provides the means by which the lender can recover his/her money.

Sinking Funds

Council puts aside funds known as sinking funds on a regular basis in a separate legal entity which are invested to repay Council loans when they mature.

Variable Rate Overdraft Facility

Bank overdraft where the interest rate is set by the bank who may change such rates without any prior notice (to Council).

Policy on Development Contributions (or Financial Contributions)

Resourcing and the complexity of developing a Development Contributions Policy mean that Council wishes to extend the date by which it proposes to have a policy in operation.

It is Council's intention to develop a policy for development contributions pursuant to section 198 of the Local Government Act 2002 but will do so in a timeframe to be effective from 1 July 2006. In the meantime Council will continue to implement the financial contribution provisions in the District Plan as allowed for under the Resource Management Act 1991.

Policy on Partnerships between WDC and the private sector

The Waikato District Council will consider partnership arrangements with the private sector for the provision of goods and services where:

- a defined need has been identified;
- a partnership is the best method of achieving the outcome for the social, economic, environmental and cultural well-being of the community;
- such an arrangement is recognised as good business practice;

Commitment of Council resources to any such partnership will generally be in the form of grant, loan, investment or loan guarantee.

As part of the consideration of any potential partnership, Council will seek to identify interested parties who should have input at an early stage into the proposal.

Council will also consider the Policy on Significance.

If the partnership arrangement meets the significance criteria and thresholds then Council would need to follow the special consultative procedure.

In considering a partnership, Council will ensure that:

- the partnership proposal will demonstrate how it will contribute to the community's strategic objectives as outlined in the Long Term Council Community Plan
- the selection process is transparent;
- outputs will be clearly specified including measurable performance standards;
- the benefits from the partnership exceeds the estimated cost;
- the private sector partner must be a legal entity;
- there is certainty that both parties are able to meet the terms of the partnership;
- that the partnership and its proposed business are lawful;
- that before confirming any partnership agreement, any necessary consents, licences or other approvals have been obtained;
- risk allocation between the partners is clear and enforceable with appropriate financial consequences for non-performance;
- appropriate monitoring and review mechanisms are in place to enable the Council to assess the extent to which community outcomes are furthered through the partnership;
- a signed legal agreement must be entered into.

Appropriate consideration will be given to the risks associated with the formation of a partnership. The aim will be to minimise risk and provide a high level of protection of the public interest. Risk factors that will be considered are:

- Health and Safety obligations under the Health & Safety in Employment Act;
- risk to the reputation of Council;
- financial risk;
- effect on Council's ability to carry out its activities;
- protection of any physical or intellectual property;
- exposure to public liability (in an insurable context);
- any other potential loss.

Council will continually assess and monitor any public private sector partnerships to ensure that funding and other resources are being used effectively and to ensure that desired community outcomes are furthered by the arrangement.

This will be achieved by:

- providing at least quarterly financial results, but noting that such information will be subject to the requirements of the Local Government Official Information and Meetings Act;
- monitoring progress towards the achievement of community outcomes in line with the requirements of the Local Government Act 2002;
- regular reports are provided to Council on specifically agreed outcomes and objectives;
- regular meetings are held between Council and the private partner.

Rating by Instalments

Council collects rates (excluding water by meter rates) in three instalments per year. For the 2004/2005 financial year, the due dates of instalments (which are also the penalty dates) are:

First instalment 23 September 2004
Second instalment 24 January 2005
Third instalment 23 May 2005

Water by meter rates will be invoiced separately and payable in two instalments each year. For the 2004/2005 financial year, the due dates of instalments (which are also the penalty dates) are:

Raglan, Huntly, Horotiu, Ngaruawahia, Taupiri, Te Akau and North Waikato
First instalment 31 October 2004
Second instalment 30 April 2005

Southern and Western Districts
First instalment 30 November 2004
Second instalment 31 May 2005

These dates will be confirmed by resolution following the setting and assessing of the rate for 2004/2005 and they will be printed on the rate assessment notice sent to ratepayers.

Should the penalty date fall on a weekend or statutory holiday, the penalty date would be the next working day.

The Council offers direct debit and regular automatic payment options, and Council staff are happy to discuss these options with ratepayers.

Rating for Services

All activities within the district that cannot be related to a specific area, for example, water supply, wastewater, and land drainage, will be treated as district activities and a common policy will be formulated for the whole district.

Standard charges have been adopted for services such as libraries, swimming pools, permits, dog registration, playing fields, etc.

If any Ward or Community Board wishes to provide services of a higher standard than that provided by the district a Targeted Rate will be struck over that Ward or Community Board District.

Local Government (Rating) Act 2002

The following functions, duties and powers under the Local Government (Rating) Act 2002, are delegated to the following officers who are authorised to act whilst observing any Council policies adopted under the Local Government (Rating) Act 2002.

Rates and Revenue Accountant

- Section 39: Objection to rate records.
- Section 40: Correction of errors.
- Section 41: Recovery of additional rates in certain cases.
- Sections 85, 86: Remission of instalment penalties.

Credit Controller

- Sections 61, 62, 98: Recovery of unpaid rates.

District Solicitor

- Sections 63 to 75: Legal proceedings to recover rates (general land).
- Sections 77 to 83: Sale or lease of abandoned land.
- Section 94: Appointment of person to receive notices (application to Maori Land Court).
- Sections 99 to 112: Charging Orders (Maori freehold land).

Corporate Services Group Manager

- Sections 85 to 90: Remission of rates and six-monthly penalties. Postponement of Rates.

All remaining functions under the Act may be carried out by Corporate Services Group officers designated to carry out those functions.

Early Payment

Council will accept payment in advance of any applicable rate instalment both in the current or future years. No discount will be given or interest paid in relation to any payments on this basis.

Any such payments made in advance will be credited against the appropriate rate instalments as directed by the ratepayer.

Payment Locations and Methods

Rates shall be payable through telephone banking, cash, automatic payment, cheque, direct debit or by Eftpos, at the following locations between the hours listed.

Ngaruawahia Office 15 Galileo Street Ngaruawahia Open 8am - 5pm	Huntly Office 148 Main Street Huntly Open 8.30am - 5pm	Raglan Office 7 Bow Street Raglan Open 8.30am - 5pm
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Te Kauwhata Agency
5A Main Street
Te Kauwhata
Open 9am - 2pm
(No Eftpos available)

Hamilton Agency Office
c/o Hamilton City Council
Garden Place, Hamilton
Open 8am to 4.45pm

Penalties on Rates

The following penalty regime shall apply on unpaid rates (including water rates):

- a) a charge of 10% on so much of any instalment that has been assessed in the financial year for which the resolution is made and which is unpaid after the due date for payment
 - b) a charge of 10% on so much of any rates levied in any previous financial year and which remain unpaid on the later of:
 - i) the first day of the financial year for which the rate resolution is made, or
 - ii) five working days after the date on which the rate resolution is made
 - c) a further penalty of 10% on rates to which a penalty has been added under paragraph (b) if the rates are unpaid six months after that penalty was added.
- In terms of (b) and (c) above, Council is proposing 1 July 2004 and 1 January 2005 to be the penalty dates.

Should the penalty date fall on a weekend or statutory holiday, the penalty date would be the next working day.

Collection of Arrears

For properties where rates have not been paid in full or a suitable payment arrangement entered into, staff commence legal action by the lodging of Notice of Proceedings with the District Court and, if necessary, this action continues through to the application to the Court for a Rating Sale.

Rate Assessment and Rate Invoices

At the commencement of the rating year all ratepayers will receive a rate assessment which outlines the total rates to be paid for the year. It is not a request for payment, it is a summary of future obligations. Prior to each rate instalment date, Council will issue a rate invoice which is a request for payment of that instalment and any other unpaid rates.