

# Revenue and Financing Policy

This policy deals with the revenue and financing decisions taken at a “whole of Council” level. It documents our high level rating philosophy and summarises the rationale for the rating decisions taken.

## The revenue and financing policy describes how we will fund and finance our activities.

It sets out how we fund operating expenses and capital expenditure from the funding sources specified in section 103 of the Local Government Act 2002.

### Council's funding philosophy

Ratepayers have told us that fairness and equity in rating is very important to them. We try, wherever practical, to maintain a close relationship between the benefits received by groups of ratepayers and the rates they pay for those services, especially where communities within our District have differing levels of service. Where levels of service are more uniform or where it is impractical to identify groups of ratepayers that principally benefit, we use General Rates.

In principle, we seek to recover the maximum amount possible from the direct users of a service (the 'user-pays' principle) or from those that create the need for a service (the 'exacerbator-pays' principle), but also weigh this against the community benefit of services. The primary tools we use to achieve these principles are fees and targeted rates. We also seek to ensure that people pay for services at the time they consume them, (the 'inter-generational equity' principle). Costs of service include capital costs, direct and indirect operational costs, depreciation, interest and loan repayments. The tools we use to achieve inter-generational equity include loans, financial contributions and increases in the rating base resulting from growth.

### Policy considerations

We will select funding sources for each activity after having regard to the following:

- The community outcomes to which the activity primarily contributes, and
- The distribution of benefits, and
- The period over which benefits are expected to occur, and
- The extent to which the actions or inactions of particular individuals or groups contribute to the need to undertake the activity (referred to as exacerbator issues), and

- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities and
- The overall impact of any allocation of liability for revenue needs on the current and future community.

### The Community Outcomes

The primary outcomes for each activity are included in the **tables below**.

### The distribution of benefits

We have taken the following general approaches to relate benefits to funding sources:

- Activities that are available to every person in the District are funded across the whole community (e.g. roading or parks and reserves)
- Services that we make available to specific areas are funded across those areas, on a District wide basis. This applies to services for water, wastewater, stormwater and rubbish and recycling.
- Fees and Charges are used as the funding source for individual or group benefits where either:
  - A direct relationship can be efficiently established between the provisions of a service and the charge, or
  - The benefits derived are beyond the level generally available to the general community, or
  - The individual or group causes us to incur additional costs beyond the level that would be required for the general community.

### Period over which benefits are expected to occur.

This consideration analyses the period in or over which the benefits of Council's activities are expected to accrue. This then indicates the period over which the operating and capital expenditure should be funded.

Generally operating costs are directly related to providing benefits in the year of expenditure. As such, they are usually funded on an annual basis from annual revenue.

Intergenerational equity applies to capital expenditure where assets have useful lives ranging from a few years through to many decades. One method

used to spread these costs over time is loan funding. This ensures that current ratepayers do not pay for benefits received by future ratepayers. Each year's ratepayers service the debt associated with this asset. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it.

### **User pays and exacerbator pays**

We encounter situations where the actions or inactions of individuals or groups cause us to utilise additional resources. Examples of this are:

- Non complying behaviour, for example, illegal waste disposal, wandering dogs, non-compliance with consent conditions.
- High cost activities – e.g. water supply, solid waste.

The principle suggests that Council should recover some costs directly from those causing demand for the service.

We will consider:

- The impact that these situations have on the overall activity.
- The level of additional cost incurred.
- The potential to realistically recover the additional costs.
- The effect on the activity outcomes.

We may then apply funding mechanisms that recover all or part of the additional costs incurred (e.g. fines).

### **Costs and benefits (of separate funding)**

We believe that transparency and accountability can be enhanced where the community can make a direct link between the services received and the charges we impose. User fees and charges and Targeted Rates are examples where we believe this connection can be made.

Targeted Rates are preferred where:

- Services are made available to some properties or communities and not others (e.g. solid waste, water supply, wastewater and stormwater).
- Local communities have a strong sense of identity and accountability for an activity (e.g. community halls, where the local communities fund and operate the halls; promotion rates).
- Activities that are intended to benefit a specific area (e.g. community halls).

There are administration costs associated with separate funding and these need to be weighed against any benefits of targeting specific beneficiaries/users of a service, including transparency and accountability. Transparency and accountability are most evident when an activity has one defined funding source. This allows ratepayers, or payers of user fees and charges to see exactly how much money is being raised and spent on the activity, and to assess whether or not the cost to them of the activity represents good value.

### **The overall impact of any allocation of liability for revenue needs on the current and future community.**

Once all the previous considerations have been taken into account, Council ensures that overall funding sources are not creating a disproportionate burden on a specific sector or part of the community.

## Rating policy

### Rating unit

Under the relevant legislation, we have the ability to set our unit of rating as a dwelling (or separately used inhabited part of a property) as opposed to a property. We have chosen to retain our rating unit as a property, consistent with our policy in previous years.

### Rating basis

The Local Government (Rating) Act 2002 allows us to choose from three rating systems (land value, capital value and annual value). There is no legislation prescribing the best type of rating system for each council. We will assess the General Rate and all other property value-based rates (except the roading rate) on capital value. The roading rate will be assessed on land value.

We show a land value and an improvement value on our property valuations. The improvement value reflects the added value given to the land by buildings or other structures, including fruit trees, vines, and landscaping. Capital value includes both the land value and the value of improvements. The improvement value excludes chattels, stock, crops, machinery, or trees other than fruit or nut trees, vines, berry-fruit bushes, and live hedges.

Regardless of the rating basis we use, the total amount of rates collected remains the same but the incidence of rating shifts. To illustrate the differences between the land and capital value rating systems for example, consider two identically valued pieces of land, one with a substantial dwelling on it and the other with no improvements. Under the land value rating system the two properties would pay the same rates. Under the capital value rating system the property with the substantial improvement would pay more than the property that was undeveloped.

## Water Supply

Water rates are charged using a metered or unmetered Uniform Targeted Rate (UTR). Our policy on water meters is that all properties connected to Council's water supply should be metered.

In establishing the criteria for water metering we recognised the environmental benefits that would result from water conservation if all users were metered and balanced that against the cost of installing meters on all properties and the affordability of such a strategy.

Where meters are in use charges are as follows:

- Each property will be charged the metered Uniform Targeted Water Rate for the first meter, and
- An additional Uniform Targeted Rate will be charged for every additional meter on the property. This covers the costs of reading, billing, maintenance, and future meter replacement.
- Connections larger than 20mm will be charged additional UTRs in proportion to the capacity of the connection.
- A charge based on water consumption per m<sup>3</sup> is also levied. This volumetric charge is recorded as a targeted rate.

Where unmetered connections are in place a single annual charge is levied. This charge is higher than the metered water annual charge to take into account water usage.

## Wastewater

Our policy on wastewater charges is:

**Uniform Targeted Rate:** All properties connected or available to be connected (within 30 metres of a public wastewater drain) will be charged a Uniform Targeted Wastewater Rate.

**Multiple connection charges:** We have a policy for charging properties with more than one toilet. It applies to all wastewater schemes.

- Each residential household will pay one standard connection charge to the wastewater scheme regardless of the number of toilets in the dwelling. This charge covers fixed and variable costs. Additional dwellings on a property will be liable for the multiple pan charge.

Non-residential properties with more than one toilet are liable for the multiple pan charge for each consecutive toilet.

Our intention is to achieve a fair allocation of the costs of the wastewater scheme based on the usage of capacity in the system. We acknowledge that in some instances additional toilets may be installed in non-residential properties for convenience which may not result in an increase in total usage.

The Council has a multiple pan remission policy to address instances where ratepayers / organisations would be charged unduly high amounts by the application of this policy.

## Schools

Although the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001 was repealed, schools are charged for sewage disposal on the same basis as that envisaged by the Act but as a targeted rate for each individual school in our District. This is because schools by and large have accepted the levies charged.

## Funding Sources

Funding sources are either paying for operating costs or capital costs.

### Definition of funding sources

This section provides some simple definitions of the different sources that are available to fund Council's activities. An activity may be funded from one or more sources.

**General rates:** General rates are used to raise revenue for activities that are of public good or where recovery from users (private good) is not efficient or possible. It is our approach when an activity has a shortfall that shortfall is funded from general rates.

The general rate includes two portions. Part is set based on capital value (value of land plus improvements), and part is by a fixed amount per rating unit (Uniform Annual General Charge (UAGC)).

The size of the UAGC is set each year by the Council and is used as a levelling tool in the collection of General Rates. If the UAGC were set at zero, the effect

would be to increase the amount of General Rates assessed on capital value which would increase the share levied on properties with higher capital values and decrease the share levied on lower capital values. In setting the level of the UAGC, we consider the following issues:

- The impact of a high UAGC on those with low incomes and relatively low property values.
- The impact of a low UAGC on the relative share of rates levied on high value properties, for example large rural properties.
- Fairness and equity and the social consequences of an unfair distribution of rates.
- The collective effect of other flat charges on affordability for low income households.

Our policy is to have the same system for charging general rates across the whole District.

**Targeted rates:** We use targeted rates, as defined in the Local Government (Rating) Act 2002, to collect funds over areas of benefit. This rating tool is chosen where the services provided are specific to a particular community or area within our District and it is not considered fair to charge all ratepayers, e.g. charges for town centre promotion and community halls. Details of these rates are shown in the Funding Impact Statement. These rates may be collected on a uniform (or fixed) basis per property or on the capital value of each property.

**Roading rates:** We have the following roading rates:

- Roothing rate on land value,
- Rural works charge which is a fixed amount on every rural zoned property.

We use the rural works charge and the UAGC to reduce the share of roading rates levied on higher value properties. If these fixed charges were not included, large pastoral farms for example, would be liable for an unfairly large share of the revenue required for roading.

The roading rate on land value is calculated using the following differentials:

- Residential zoned areas 1.0
- Rural zoned areas 1.0
- Commercial/industrial zoned areas 4.0
- Post-harvest zoned areas 4.0

**Financial contributions:** To recover costs of infrastructure built to accommodate growth we use financial contributions. Our Financial Contributions Policy is set through our District Plan under the Resource Management Act 1991. The detail of the policy is published as part of the District Plan and is available on our website [www.westernbay.govt.nz](http://www.westernbay.govt.nz) and at our libraries and service centres. Our District Plan provides that waivers and reductions to financial contributions levied under the Resource Management Act 1991 are agreed through our Annual Plan process.

**User Fees and charges:** Fees, charges and the recovery of fines are used to raise revenue for services or activities that have a high component of private good and where the users of the service or the exacerbators are identifiable.

**Loans:** Borrowing both short term and long term is a funding tool and does not need a split between public and private good as it is only deferring the eventual charge.

**Proceeds from asset sales:** Proceeds from the sale of assets will be applied to reduce debt either within the activity from which the sale arose or by Council allocating the proceeds to retire debt in a specific activity.

**Subsidies and grants:** Income received from an external funding entity will be applied against the project for which the subsidy was acquired. These generally would be a public good, however this can depend on the purpose or source of the grant or subsidy. In some cases, financial assistance relates to a specific project and the ongoing management of the infrastructure e.g. Waka Kotahi (NZ Transport Agency) subsidise both capital costs, as well as contributing towards operational costs of the Transportation activity.

Grants, subsidies, and sponsorship have the potential to be used across all activities if available.

**Depreciation and current account deficit:** Replacement or renewal of assets relies on the principle of intergenerational equity in that today's ratepayers should pay for the 'asset-life' they are consuming, and likewise future generations should pay for their share of the asset's life. Funding of depreciation (or not) is covered in the Financial Strategy.

**Any other source:** Other funding sources may be available from time to time to fund Council activities.

### How we fund our activities

The key below explains the extent of each funding source used. These ranges are expressed as a percentage of the cost of the activity. Council budgets will normally be set within these indicative ranges.

Name	% Range	Key
<b>Minimal</b>	0-15%	
<b>Low</b>	15-45%	
<b>Moderate</b>	40-75%	
<b>High</b>	75-95%	
<b>Most</b>	90-100%	
<b>Potential to be used</b>		✓

The Council's strategic capital delivery assumption of 80% in year 1 of the Long Term Plan and 90% in year 2 of the Long Term Plan, has skewed our capital budgets away from loan funding towards financial contributions. However, the model is consistent with the capital funding approach of our activities.

Activity	User Fees and Charges	General Rates (including UAGC)	Targeted Rates	Financial Contributions	Grants, Subsidies, Loans and Other Revenue
Representation	✓				
Planning for the Future				✓	✓
Community Building	✓				✓
Libraries and Service Centres - Operational					✓
Libraries and Service Centres - Capital				✓	
Community Facilities - Operational					✓
Community Facilities - Capital					
Recreation and Open Space - Operational			✓		
Recreation and Open Space - Capital		✓	✓		
Regulatory - Resource Consent					
Regulatory - Building Services					
Regulatory - Animal Services - Capital	✓	✓			✓
Regulatory - Animal Services - Operational					
Regulatory - Community Protection					
Stormwater - Capital					
Stormwater - Operational					
Transportation - Capital		✓	✓		
Transportation - Operational					
Water supply - Operational		✓			
Water supply - Capital	✓	✓	✓		
Natural Environment and Sustainable living					✓
Wastewater - Capital			✓		
Wastewater - Operational				✓	
Solid Waste - Operational					
Solid Waste - Capital					
Economic Development					✓
Support services*					

\*Support services are recovered through overhead allocation, general rate and user pays

# Activity Funding Needs Analysis Tables

## Representation

### Our community outcomes

- Leaders are effective, informed, and inclusive. • We have authentic Te Tiriti based relationships with tangata whenua. • We can all enjoy a healthy and safe lifestyle.
- Our environment is clean, green, and valued. • Our communities are vibrant and welcoming to all.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
The whole of the community benefits from this activity, while residents of each Community Board area also benefit from having a Community Board.	Benefit is expected to arise in the year funding is sourced.	The community.	<p>This activity is primarily funded by general rates.</p> <p>However, we can identify individuals who benefit directly from each Community Board so it is appropriate that this is funded separately through a targeted rate.</p>	<p><b>High</b> – General Rates <b>Minimal</b> – Targeted Rates (to cover the cost of community board activities)</p> <p><i>Note:</i> <i>In the event of resource consent hearings user fees and charges are used to fund up to 25% of elected member's expenses.</i></p>	<p>The activity supports the Council's democratic process and therefore it is appropriate to be funded from General Rates.</p> <p>As there is a direct benefit to those individuals who reside in a Community Board area, it is appropriate to have a targeted rate for those directly benefiting from Community Board area representation.</p> <p>When individuals can be identified then the private benefit is recovered by user fees and charges.</p>



# Planning for the Future

## Our community outcomes

- Leaders are effective, informed, and inclusive. • We have authentic Te Tiriti based relationships with tangata whenua.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
The wider community benefits from this activity.	Ongoing.	The community.	This activity is primarily funded from the general rate. However, when an individual can be identified, these are recovered through user fees and charges.	<p><b>Most</b> – General Rates</p> <p><b>Minimal</b> – User Fees and Charges, Targeted Rates</p> <p><b>Potential to be used</b> – Ecological Financial Contributions, Grants, and Loans.</p>	The wider community benefits from monitoring, infrastructure investigations, policy, and planning activities therefore it is appropriate that the activity is funded by general rates, except when individuals can be identified.

# Community Building

## Our community outcomes

- We have authentic Te Tiriti based relationships with tangata whenua.
- Our communities are vibrant and welcoming to all.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
All members of the community benefit from this activity.	Benefit is expected to arise in the year funding is sourced.	The actions of most individuals and groups have a minor impact on this activity.	This activity is primarily funded from the general rate.	<p><b>Most</b> – General Rates</p> <p><b>Minimal</b> – Targeted Rates</p> <p><b>Potential to be used</b> – User Fees and Charges, Subsidies and Grants</p>	<p>The community building activity supports cohesive, resilient communities that are contributing to the current and future needs of the district. Emergency response planning ensures community readiness. As all members of the community benefit from these activities it is appropriate that general rates are used to fund the activity.</p> <p>Where individuals or groups who benefit from the activity can be identified, such as the Katikati Community Centre then a targeted rate is used.</p>

# Libraries and Service Centres

## Our community outcomes

- Our communities are vibrant and welcoming to all.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
<p>The primary benefit is to those that borrow and use library material, resources, and services.</p> <p>Benefits also accrue to the wider community through the availability of library resources including meeting spaces and community programmes.</p> <p>The wider community also benefits from our service centre activities accessing information and support.</p>	<p>Benefit is expected to arise in the year funding is sourced.</p> <p>However, the benefits of this activity will also accrue to future communities.</p>	<p>The community.</p>	<p>This activity is primarily funded from district-wide charges.</p>	<p><b>Operational:</b></p> <p><b>Most</b> – General Rates</p> <p><b>Minimal</b> – User Fees and Charges</p> <p><b>Potential to be used</b> – Subsidies and Grants</p> <p><b>Capital:</b></p> <p><b>Moderate</b> – Loans</p> <p><b>Minimal to Low</b> – General Rates, and Financial Contributions, Grants, and Subsidies</p> <p><b>Potential to be used</b> – Asset Sales</p>	<p>The community as a whole benefit from the access to libraries and service centres, and it is therefore appropriate to fund this activity through general rates.</p> <p>The private good component of the library and service centre activity is recovered through user fees and charges. High levels of user charging will in many cases restrict accessibility to those who currently benefit the most from the activity.</p> <p>Loans are generally used for the major development/redevelopment of library buildings.</p>

# Community Facilities

## Our community outcomes

- We can all enjoy a healthy and safe lifestyle.
- Our communities are vibrant and welcoming to all.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
<p>The wider community by having access to community facilities including community halls.</p> <p>Individuals benefit from the services of the cemetery.</p> <p>Individual tenants in elder housing benefit from the service.</p> <p>The wider community benefit through the protection of public health and the maintenance of cemeteries and cemetery records for future generations to locate their ancestor's burial plot/site.</p>	Ongoing.	The actions of most individuals and groups have an impact on this activity.	<p>As we can identify the areas that benefit the most from Community Halls they are funded by way of a targeted rate.</p> <p>Those individuals who benefit directly from a service (such as cemeteries or elder housing) can be identified and this is reflected in the user fees and charges.</p>	<p><b>Operational:</b>  <b>Moderate</b> – User Fees and Charges including rental income  <b>Low</b> – General Rates, Targeted Rates  <b>Potential to be used</b> – Subsidies and Grants</p> <p><b>Capital:</b>  <b>High</b> – Loan  <b>Potential to be used</b> – Subsidies and Grants, General Rates</p> <p>Cemeteries is 65-75% user fees and charges with the remaining portion and any shortfall funded from General Rates.</p>	<p>As we can identify the area of benefit for the community halls, a targeted rate is appropriate that those who are more likely to receive benefit from the hall contribute to the ongoing costs.</p> <p>Some general rates are required for Council's operational costs to recognise the wider community benefit from halls.</p> <p>As tenants of Elder Housing receive a direct benefit, it is appropriate that all funding is obtained through rental income in our user fees and charges schedule. For capital projects external grant funding will be sought. Loans for Elder Housing Capital will be funded by rental income. Elder Housing is 100% funded by rental income over the LTP, unless external subsidies and grants are available for capital expenditure.</p> <p>Cemeteries are important to the community for cultural and social and environmental reasons. Whilst they do provide a private benefit there is a long term need to maintain them for an indefinite period of years. Individuals pay user charges for the initial acquisition and use of burial site.</p>

# Recreation and Open Space

## Our community outcomes

- We can all enjoy a healthy and safe lifestyle.
- Our environment is clean, green, and valued.
- Our communities are vibrant and welcoming to all.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
<p>Our network of public open space and facilities provides opportunities for people to interact socially and improve their health as well as contributing to the protection of cultural, landscape and ecological values.</p> <p>Facilities are available for use by visitors and residents alike.</p>	Ongoing.	The community and visitors.	This activity is primarily funded from district-wide charges.	<p><b>Operational:</b></p> <p><b>High</b> – General Rates</p> <p><b>Minimal</b> – Grants, Subsidies and User Fees and Charges (including rental income), fines/infringements</p> <p><b>Potential to be used –</b> Targeted Rate, Other (sale of assets), Sponsorship</p> <p><b>Capital:</b></p> <p><b>Moderate</b> – Loan, Financial Contributions, and General Rates</p> <p><b>Minimal</b> – Grants, Subsidies and Other (sale of assets)</p>	<p>The community as a whole benefit from the access to recreation and open space, and it is therefore appropriate to fund this activity through general rates.</p> <p>It is also appropriate to fund the growth required component of providing this activity by way of financial contributions. Further, when areas or groups of individuals can be identified as receiving more of a benefit, than a targeted rate may be utilised, however this is infrequent.</p> <p>Loans are used to finance significant reserve land acquisition opportunities. Loans are serviced (repaid) through recreation and leisure financial contributions when related to growth or from general rates, as appropriate.</p>

# Regulatory Services – Animal Services

## Our community outcomes

- We can all enjoy a healthy and safe lifestyle.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
<p>Individuals such as dog and livestock owners.</p> <p>The wider community benefits from the district being safer in and around dogs and other animals.</p> <p>The wider community benefits from the effective management of the public nuisance that animals can cause.</p>	<p>Benefit occurs in the year funding is sourced.</p>	<p>Actions or inactions of individuals and groups have an impact on this activity.</p> <p>The negative impacts affect the whole community</p>	<p>Individuals who benefit directly can be identified and this is reflected in user fees and charges.</p>	<p><b>Operational:</b></p> <p><b>Moderate</b> – User Fees and Charges, General Rates or Reserves</p> <p><b>Potential to be used</b> – Infringements, fines, or loans.</p> <p><b>Capital:</b></p> <p><b>Potential to be used</b> – Loans, User Fees and Charges, General Rates, Grants, Subsidies and Other (sale of assets)</p>	<p>User fees and charges recognise that dog owners cause the need for this activity.</p> <p>The wider community benefits from Council’s response to complaints about uncontrolled or nuisance animals, and monitoring. This includes responding to wandering stock and other animals (that aren’t dogs).</p> <p>Capital works (for dog shelters and dog exercise areas) are generally largely funded by user fees and charges and general rates. A loan may be necessary to spread this over users to reflect the intergenerational life of the assets.</p>

# Regulatory Services – Building Services

## Our community outcomes

- We can all enjoy a healthy and safe lifestyle.
- Our environment is clean, green, and valued.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
Individuals that apply for consents and use the other services in this area. This activity also provides safety benefits to the public entering buildings and future owners and occupiers of the buildings. Information is supplied to public through inquiries. The wider community benefits from enhancing the safety of buildings.	Benefit occurs in the year funding is sourced.	Actions or inactions of individuals and groups have an impact on this activity.	Individuals who benefit directly can be identified and this is reflected in user fees and charges.	<p><b>Moderate</b> – User Fees and Charges (including infringements)</p> <p><b>Low</b> – General Rates or Reserves</p> <p><i>Note:</i> <i>Any shortfall is to be funded by General Rates</i></p>	<p>The public benefits from the assurance that building standards are being upheld. However, a private benefit can be attributed to an applicant for a building consent and the administration, processing and inspection costs charged accordingly.</p> <p>Public education and the monitoring and investigation of complaints improve safety and benefits the wider community. Complaint investigations incur costs that cannot always be attributed to a specific applicant or user so cannot be recovered.</p> <p>Public enquiries, including complaints and their investigation, are funded by general rates except where it is appropriate and practical to recover user or infringement fees. Where enforcement and legal action is taken, cost recovery will be sought, but any shortfall will be funded by general rates.</p>

# Regulatory Services – Resource Consents

## Our community outcomes

- We can all enjoy a healthy and safe lifestyle. • Our environment is clean, green, and valued.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
<p>Individuals who apply for resource consents and use the other services of this activity such as accessing information relating to planning issues.</p> <p>This activity also provides benefits to those other than the applicant such as occupiers of the building and future owners.</p> <p>The whole community benefit as this activity seeks to protect our unique environment and quality of life.</p>	Benefit occurs in the year funding is sourced.	Actions or inactions of individuals and groups have an impact on this activity.	Individuals who benefit directly can be identified and this is reflected in user fees and charges.	<p><b>Moderate</b> – User Fees and Charges (including infringements)</p> <p><b>Low</b> – General Rates or Reserves</p> <p><i>Note:</i>  <i>Processing land use and subdivision consent applications, LIMS and PIMs are funded 100% user fees and charges with any shortfall funded from General Rates.</i>  <i>Public enquiries and appeals to the Environment Court are 100% General Rate funded.</i></p>	<p>User fees and charges recognise that can readily identify those that directly benefit from this activity. For example, resource consents applicants/developers.</p> <p>There is public benefit in providing education and advice in relation to Resource Management Act and District Plan rules. The Duty Planner will discuss planning matters with customers to ascertain, for example, whether resource consent is required. Many of the queries attended to by the Duty Planner do not result in a resource consent being required. Therefore a “user” cannot be charged for this service.</p> <p>There is a public good component to the role Council plays as regulator, ensuring compliance with the Resource Management Act and District Plan. The public good components will be funded by the general rate to reflect the district-wide benefit.</p>



# Regulatory Services – Community Protection

## Our community outcomes

- We can all enjoy a healthy and safe lifestyle.
- Our environment is clean, green, and valued.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
<p>The wider community benefits from the efficient monitoring of bylaws, licensing services and resource consent monitoring.</p> <p>The benefit of inspection and licensing of premises accrues mostly to the business owners; but there is also a wide public health benefit to the community from premises being appropriately licensed or registered.</p>	Benefit occurs in the year funding is sourced.	<p>The actions of most individuals and groups have a minor impact on this activity.</p> <p>However, those who breach, or complain about alleged breaches of, regulations contribute to the need for this activity.</p>	Individuals who benefit directly can be identified and this is reflected in user fees and charges.	<p><b>Moderate</b> – General Rates</p> <p><b>Low</b> – User Fees and Charges; Infringements, Fines, Reserves</p>	<p>User fees and charges are applied to those who primarily benefit from this activity (for example food premises, liquor outlets). In some instances, application fees are prescribed by legislation and not sufficient to meet the actual cost of the licensing service. General rates are necessary to meet this shortfall.</p> <p>The wider community benefits from ensuring that people comply with bylaws and District Plan requirements. A small proportion of this activity can be funded from infringement fines (where a breach of a bylaw has been established, for example).</p>

# Stormwater

## Our community outcomes

- We can all enjoy a healthy and safe lifestyle.
- Our environment is clean, green, and valued.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
<p>Households and business benefit from the minimisation and removal of stormwater from properties.</p> <p>This extends to the wider community as stormwater is also removed from public places.</p>	Ongoing.	The actions of individuals and groups have an impact on this activity, or live in an area that is serviced by the network.	As we can identify the areas that benefit the most from stormwater they are funded by way of a targeted rate.	<p><b>Operational:</b></p> <p><b>High</b> – Targeted Rate</p> <p><b>Low</b> – General or Reserves</p> <p><b>Capital:</b></p> <p><b>Moderate</b> – Loan (serviced by 90% Targeted Rates and 10% General Rate)</p> <p><b>Low to moderate</b> – Financial Contributions for growth</p>	<p>Individuals benefit from the delivery of this service through the reduction in risk of damage due to flooding and/or erosion on their properties. A targeted rate allows us to identify those who are more likely to benefit.</p> <p>There is a public benefit, and this is recognised by using the General Rate.</p> <p>Developers benefit from the existence of excess capacity in the stormwater system. In some cases, stormwater assets and levels of service must be increased to enable development to proceed. Different communities may benefit from different levels of service for stormwater. This could be because of topographical conditions, for example steep slopes, unstable land, or density of settlement, i.e., urban versus rural densities of development. The use of targeted rates recognises the benefit all users receive from having stormwater infrastructure across the district. Financial contributions allow for growth to pay for growth.</p>

# Transportation

## Our community outcomes

- We can all enjoy a healthy and safe lifestyle.
- Our environment is clean, green, and valued.
- Our Economy is thriving.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
Everyone in the community benefits from their personal use of the transport network and indirectly from the supply of goods and services to businesses.	Ongoing.	People and goods and services requiring transport from one place to another.	As we can identify the areas that benefit from the transportation activity, they are funded by way of a targeted rate or differential.	<p><b>Operational:</b>  <b>Moderate</b> – Targeted Rates  <b>Low</b> – Subsidies and Grants  <b>Minimal</b> – General Rates, User Fees and Charges</p> <p><b>Capital:</b>  <b>Moderate</b> – Subsidies and Grants  <b>Low</b> – Financial Contributions, Loans, Lump sum contributions  <b>Potential to be used</b> – General Rates, Targeted Rates</p>	<p>Both individuals and the community benefit from the efficient flow of goods, services, and people through the transport network. A targeted rate allows us to identify those who are more likely to benefit from the transportation network.</p> <p>Co-funding from other organisations, particularly Waka Kotahi, (that is funded from fuel excise tax, road user charges and licensing revenue) represents some element of user pays.</p> <p>The wider community benefits from the effective management of the environmental impacts of the transport network and therefore a district-wide charge is appropriate. For those areas we identify as receiving more benefit Council utilises a targeted rate.</p> <p>Commercial/Industrial and Post Harvest zoned properties are charged a differential for the roading rate based on land value. Those zoned areas which can be identified as having high volumes and heavy vehicles servicing these properties can cause the infrastructure to wear at a higher rate, therefore receive more benefit from Council services. Integrated planning creates time and cost efficiencies which benefit individual transport users.</p>



# Water Supply

## Our community outcome

- We can all enjoy a healthy and safe lifestyle.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
All those connected to the Western Bay of Plenty District's water supply system.	Ongoing.	People requiring potable water.	Separately funded with a mix of targeted rates, scheme based capital rates and a district wide meter operating rate.	<p><b>Operational:</b>  <b>Most</b> – Targeted Rates. (Note volumetric water charges are identified as a Targeted Rate)  <b>Potential to be used</b> – General Rates; User Fees and Charges</p> <p><b>Capital:</b>  <b>Moderate</b> – Loan  <b>Low</b> – Financial Contributions, Subsidies and Grants  <b>Potential to be used</b> – Targeted Rates, User Fees and Charges, and General Rates.</p>	<p>The activity is primarily undertaken for the benefit of the consumers. With limited wider public benefit, there is little general rate funding expected.</p> <p>Developers benefit from the existence of excess capacity in the water supply system. In some cases, water supply assets and levels of service must be increased to enable development to proceed. The use of financial contributions and targeted rates is appropriate.</p>

# Natural Environment and Sustainable Living

## Our community outcome

- Our environment is clean, green and valued

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
The community benefits from activities that contribute to protecting and enhancing the environment.	Ongoing.	The community and private landowners including developers requiring increased environmental enhancement.	As we can identify the areas that benefit from the activity they are funded by way of a targeted rate.	<b>Moderate</b> – Targeted rates, <b>Minimal</b> – Financial Contributions and General rates	<p>Private landowners may gain a specific benefit where increased environmental enhancement protects their properties from natural hazard risks such as coastal erosion and flooding. As we can identify the individuals who benefit, targeted rates may be appropriate.</p> <p>It is also appropriate, as a way of mitigating the negative impacts of growth on the environment, to fund some projects by way of financial contributions. There is a public good from this activity.</p> <p>Targeted rates fund the Pukehina beach protection and Waihi Land Drainage out of this activity.</p>

# Wastewater

## Our community outcomes

- We can all enjoy a healthy and safe lifestyle.
- Our environment is clean, green, and valued.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
All households, organisations and businesses that are connected to Council's wastewater system.	Ongoing.	Individuals requiring reticulated wastewater.	As we can identify the areas that benefit the most from wastewater they are funded by way of a targeted rate.	<p><b>Capital:</b></p> <p><b>Most</b> – Loan</p> <p><b>Minimal</b> – Financial Contributions</p> <p><b>Potential to be used</b> – Targeted Rates, Subsidies and Grants</p> <p><b>Operational:</b></p> <p><b>Most</b> – Targeted Rates</p> <p><b>Minimal</b> – General Rates, User Fees and Charges</p> <p><b>Potential to be used</b> – Subsidies and Grants</p>	The activity is primarily undertaken for the benefit of the ratepayers connected to the schemes however there is a small public benefit arising from wastewater treatment protecting the environment.

# Solid Waste

## Our community outcomes

- We can all enjoy a healthy and safe lifestyle. • Our environment is clean, green, and valued.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
The community	Benefit is expected to arise in the year funding is sourced. However, the benefits of this activity will also accrue to future communities.	The actions of some individuals and groups are likely to impact on this activity. For example, illegal dumping of waste and littering, or those that receive a Council kerbside collection.	Separately funded with a mix of user fees and charges, targeted rates and district-wide charges	<p><b>Operational:</b>  <b>High</b> – Targeted Rates  <b>Minimal</b> – General Rate, User Fees and Charges, Subsidies, and Grants</p> <p><b>Capital:</b>  <b>High</b> – Grants, Loans (serviced from Targeted Rates)</p>	<p>User fees and charges and the implementation of targeted rates recognise the benefits to people disposing of waste.</p> <p>District-wide charging is the appropriate funding source as it recognises the wider community benefit of the solid waste activity.</p>



# Economic Development

## Our community outcomes

- Our Economy is thriving. • Our communities are vibrant and welcoming to all.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
<p>Benefits accrue to the district from the efforts to grow the economy.</p> <p>Specific sectors may have a higher degree of benefit, for example commercial, industrial and post-harvest operators.</p>	<p>Benefit is expected to arise in the year funding is sourced. However, the benefits of this activity will also accrue to future communities.</p>	<p>The actions of most individuals and groups have a minor impact on this activity.</p>	<p>Separately funded with a mix of targeted rates and district-wide charges</p>	<p><b>Moderate</b> – General Rates and Targeted Rates</p> <p><b>Potential to be used</b> – Subsidies and Grants</p>	<p>The promotion of the region as a desirable place to work and do business, and the facilitation of investment and training opportunities in the district, provides benefits to the whole District.</p> <p>This activity benefits the whole district, but the commercial, post-harvest and industrial zones recognised through the targeted rates.</p>

# Support Services

## Our community outcomes

- We can all enjoy a healthy and safe lifestyle. • Our environment is clean, green, and valued. • Our communities are vibrant and welcoming to all.
- Leaders are effective, informed, and inclusive. • We have authentic Te Tiriti based relationships with tangata whenua. • Our economy is thriving.

Who benefits?	When?	Creates need?	Separate funding	Funding source and proportion	Rationale
The wider community benefits as support services enable all other Council activities to provide services to the community.	Benefit is expected to arise in the year funding is sourced.	Limited impact from the actions or inactions of individuals.	<p>This activity is primarily funded through overheads from across the business.</p> <p>This is funded through general rates, targeted rates and user fees and charges.</p>	<p><i>Note:</i> All costs are recovered either on a user-pays basis, through overhead allocation, or allocation of the General Rate.</p> <p><b>High</b> – General Rates</p> <p><b>Minimal</b> – User Fees and Charges, Other Revenue</p> <p><b>Potential to be used</b> – Loans, Sale of Assets, Grants and Subsidies.</p>	Support services are largely recovered through the other activities when individuals can be identified through user fees and charges and any shortfall from the general rate. This recognises the wider community benefit from the support services activity.