



Overall Revenue and Financing Policy Pūtea Katoa me Kaupapahere Tahua

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.

Introduction

We have considered the distribution and timing of benefits, rating efficiency and transparency, community preferences and the overall impact on the economic, cultural, social and environmental wellbeing of our District. In particular, we have considered the impacts of our rating proposals on a range of representative properties. These can be viewed at westernbay.govt.nz/LongTermPlan2021-2031.

Our Revenue and Financing Policy for each group of activities can be found from page 396 and when read in conjunction with the Funding Impact Statement, from page 472, this policy links the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive.

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 which are essentially a tax. In theory taxation is not related to benefit received but is charged according to an assessment of ability to pay – in the case of Council rates this is assessed by property value.

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). 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.

Fees

These are funding tools which are used where the users of services can be individually identified, for example building consents.

Targeted rates

Targeted rates tend to be used where categories of ratepayers can be identified as a group, rather than individually, as primarily benefiting from a service or contributing to the requirement for a Council service, for example stormwater.

Targeted rates can be used to recover capital costs as well as operating costs.

Financial contributions

Our policy for recovering the costs of infrastructure built to accommodate growth is to use financial contributions. Our Financial Contributions Policy is set through our District Plan under the Resource Management Act 1991.

The details of the policy is published as part of the District Plan and is available on our website 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. The Long Term Plan 2021-31 is also our Annual Plan for 2021/2022.

Debt financing

As we have no significant reserves, we rely on loans to finance infrastructure development, for example wastewater schemes. The portion of interest and loan repayments relating to growth is generally funded through financial contributions, however in periods of low growth they may be funded from rates. This is detailed in our Financial Strategy from the Informing our Planning section on page 76. The remaining interest and loan repayments are funded by annual rates or charges. We acknowledge that the interest on loans increases the overall cost of services but we believe that this disadvantage is offset by the advantages of a more equitable allocation of cost between existing and future ratepayers. As our rating base increases with new development there are more ratepayers to meet the cost of interest and loan repayments.

For transportation infrastructure, however, we have traditionally used less debt to finance capital expenditure. For this activity, where the capital development programme is more evenly spread over time and the users of the service are less easy to identify individually, we have primarily used rates to finance capital expenditure with loans used to a lesser degree.

The overall use of debt financing is limited by the extent of our indebtedness and the principles of prudent financial management. Our Financial Strategy in the Informing our Planning section from, page 76 proposes a limit on debt and our Treasury Policy, page 449 contains limits on debt and interest payments in relation to our assets and revenue. The term of our debt is related to the useful life of the asset financed but does not generally exceed 30 years. This ensures that the people benefiting from the asset repay the loan before the asset's life is over.

For several activities we operate a current account funding programme to smooth rates increases over time and to ensure renewals are adequately provided for. The level of rates in year one of the Long Term Plan is set such that once inflation is added to each of the ten years of the Plan, the projected current account balance in years 10 and 30 is adequate to meet the balanced budget test. The current account balance reflects all revenue and expenditure (including operating and capital costs) and all funding requirements (including loans, financial contributions and other revenue).

Depreciation funding and current account deficit funding

Prudent financial management requires organisations to plan for the replacement or renewal of their assets when they reach the end of their useful lives to maintain the service they provide. The inter-generational equity principle suggests that, ideally, 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. There are three principal ways this can be achieved:

1. Pay as you go

- Capital funded annually by rating existing ratepayers to cover the expenses incurred in that year.

Suitable when capital expenditure is evenly spread over the years so there is less risk that today's ratepayers are not paying their fair share when compared to future ratepayers.

2. Saving for asset replacement

(charge rates over the life of the asset – spend later)

- Ratepayers are rated annually to fund depreciation which builds up in a reserve account to fund future replacements of assets.

Unsuitable if ratepayers are already servicing debt incurred to acquire the existing asset. If debt were incurred, today's ratepayers would be paying twice for the asset, once through debt repayments and interest and again through financing the depreciation.

3. Borrowing to fund asset replacement

(spend now – charge rates over the life of the asset)

- Ratepayers are rated annually to fund interest and capital repayments on loans matched to the life of the asset. In the future, replacement of the asset would be financed in the same way.

Suitable if our overall level of debt can accommodate the required borrowing.

There is no legal requirement for councils to accumulate dedicated depreciation reserves, however the Local Government Act 2002 (LGA) requires that councils have a balanced budget, which means that revenue must be greater than operating expenditure (which includes depreciation). As the balanced budget test is conducted at the local authority level it is considered acceptable and within the bounds of prudence to run an operating deficit on one activity and a surplus on another. This means that we are not required to retain revenue on an annual basis in dedicated depreciation reserves if we can show through our financial strategy that future rates revenue is adequate to fund infrastructure renewals when they are needed.

When setting rates we consider the impact they have on the affordability to the various sectors of the community. Where there is a clear need to balance the principles set out above, some redistribution of rates may be required. This is done through the development of the financial strategy.

Rating policy

1. 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.

2. Rating basis

The Local Government (Rating) Act 2002 allows us to choose from three rating systems - the land value rating system, the capital value rating system and the annual value rating system. 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.

3. General rates

General Rates consist of a rate in the dollar charged on capital value and a Uniform Annual General Charge (UAGC) which is a flat amount levied on each rating unit. The size of the UAGC is set each year by Council and is used as a levelling tool in the collection of General Rates. If the Uniform Annual General Charge (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 (e.g. environmental protection rate, targeted rate for libraries) on affordability for low income households.

4. Differential general rate

Our policy is to have the same system for charging General Rates across the whole District.

Our current policy for differentials on General Rates:

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

5. Multiple dwelling differentials

There are no multiple dwelling differentials for any rates assessed on capital value.

6. Environmental protection rate

The Environmental Protection Rate is a fixed charge on each rateable unit. It funds a number of activities that are seen to benefit the District as a whole.

7. Rooding rates

There are three rooding rates:

- Rooding rate on land value
- Rooding Uniform Targeted Rate (UTR) which is a fixed amount on every property in our District
- Rural works charge which is a fixed amount on every rural zoned property.

We use the rural works charge and the rooding UTR to reduce the share of rooding 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 rooding.

We are unable to collect direct user charges; only central government can charge road user fees and levy petrol tax.

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

- Residential zoned areas 1.0
- Rural zoned areas 1.0
- Commercial/industrial zoned areas 2.0
- Post-harvest zoned areas 2.0

8. 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, from page 472. These rates may be collected on a uniform (fixed) basis per property or on the capital value of each property.

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 m³ is also levied.

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.

10. Wastewater

Our policy on wastewater charges is:

10.1 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.

10.2 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.
- For non-residential properties with more than one toilet in Katikati, Ōmokoroa, Te Puke and Waihi Beach, each property will pay the standard connection charge for the first toilet. For each additional toilet, the charge will be:
 - 25% of the variable cost component of the standard connection charge, plus
 - 100% the full fixed cost component of the standard connection charge.

- For non-residential properties with more than one toilet in Maketu, each property will pay the standard connection charge for the first toilet. For each additional toilet, the charge will be:
 - 100% of the variable cost component of the standard connection charge, plus
 - 100% the full fixed cost component of the standard connection charge.

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.

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

11. 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.

Leadership Representation

Our community outcome

Elected leaders represent the views of residents and make decisions which improve our communities and environment, now and for the future.

- We have effective representation arrangements for our communities.
- We engage with our communities, listen well, lead effectively and make well-informed decisions.
- We actively seek and consider the full range of residents' views on our plans, policies and projects.
- We have strong relationships with Tangata Whenua and work together in a range of ways so that Tangata Whenua perspectives inform our decisions.
- Our strategic relationships at all levels are maintained and strengthened.

Discussion / Rationale	Funding Approach
<p>The whole of the District benefits from the representation provided by elected members, while residents of each Community Board area also benefit from having a Community Board.</p>	<p>The General Rate and Uniform Annual General Charge fund elected members' expenditure. Community Board rates (a fixed charge per property) fund Community Boards.</p> <p>Targeted rates (a fixed charge per property) over the area of benefit may fund particular community development projects.</p>
<p>Resource consent hearings Consent applicants receive a private benefit when the Regulatory Hearing Committee hears resource consent applications, although it is recognised that the purpose of the Committee is to provide a democratic process for the benefit of the public. No inter-generational benefits have been identified. No exacerbator has been identified.</p>	<p>Resource consent hearings Fees and charges to fund up to 25% of the cost of elected members' expenses are charged to the consent applicant. General Rates fund the balance.</p>



Leadership

Planning for the future

Our community outcome

In consultation with our communities and guided by our sustainable development approach, we plan for the future.

- Develop, monitor, review and advocate policy and plans that support the achievement of our vision for the District, our community outcomes and the direction provided by SmartGrowth.

Discussion / Rationale	Funding Approach
<p>Policy and planning The community as a whole benefits from monitoring, policy and planning activities.</p> <p>Individuals may request private plan changes to the District Plan. Applicants would receive a private benefit from this service and it is possible and practical to charge them a fee to recover the costs of this service.</p> <p>Council's Strategic and District Planning activities guide Council's high-level, long term vision and plans. To this extent, these activities provide inter-generational benefits. No exacerbator was identified for this activity.</p>	<p>Policy and planning All expenditure on policy and planning activities are funded from General Rates, with the exception of private District Plan changes where the costs are recovered from the applicant.</p> <p>Environmental monitoring is funded through ecological financial contributions.</p>
<p>Strategic planning of infrastructure Infrastructure investigations and feasibility studies are undertaken to provide us with information for decision-making.</p> <p>At the planning stage it is not always possible to identify individuals or groups who will benefit from an activity. If a project goes ahead, some design work will have been done and consents obtained. This may provide a benefit to the future users of water and wastewater schemes and to groups of ratepayers in the case of stormwater investigations. For other infrastructure planning projects it may be possible to identify individuals who benefit from the resulting development. Third party benefits also result from information gathering and knowledge gained during investigations.</p> <p>If a project does not go ahead, no private benefit can be identified. To the extent that the costs of such applications and consent costs are capitalised, it could be considered that this activity delivers an inter-generational benefit.</p> <p>No exacerbator for this activity was identified.</p>	<p>Strategic planning of infrastructure Central government funding may be available to fund certain infrastructure investigations.</p> <p>The Bay of Plenty Regional Council may fund particular projects through its Regional Infrastructure Fund.</p> <p>Wastewater investigations: Funded 55-65% from the Environmental Protection Rate and 35-45% initially loan funded and recovered by Uniform Targeted Rate for wastewater.</p> <p>Water and stormwater investigations: Funded from General Rates and Uniform Annual General Charge.</p> <p>All other infrastructure planning costs: Funding will be assessed on a project by project basis.</p>

Building communities

Community building

Our community outcome

In the Western Bay of Plenty, no matter what age you are:

- people feel safe and welcome
- people are connected and feel they belong
- people can be active and healthy and enjoy the outdoors
- people have access to adequate housing
- people can learn and contribute.

Discussion / Rationale	Funding Approach
<p>Building communities - grants and contracts</p> <p>This policy includes:</p> <ul style="list-style-type: none"> • Creative Bay of Plenty • Sport Bay of Plenty • Bay of Plenty Surf Lifesaving • Fee abatement scheme (when funded) • Community Matching Fund • Western Bay Museum <p>The community as a whole benefits from Council’s service delivery contracts and grant schemes. Individuals benefiting from these activities cannot be separately identified.</p>	<p>General Rates and Uniform Annual General Charge fund this activity.</p>
<p>Katikati Community Centre</p> <p>The Katikati Community Centre offers information, services and support to the community in the areas of health, education and wellbeing.</p>	<p>Katikati Community Centre</p> <p>Funded from targeted rates (75% from the Katikati Community Board Area of Benefit and 25% from the Waihi Beach Community Board Area of Benefit).</p>



Building communities

Libraries and service centres

Our community outcome

In the Western Bay of Plenty, no matter what age you are:

- people feel safe and welcome
- people are connected and feel they belong
- people can learn and contribute.

Our goals and approach set out how the libraries and services centres activity contributes to achieving these outcomes.

Discussion / Rationale

Libraries

The whole community benefits from a better informed and more literate community. Many residents value the existence of a library and service centre and having the option to use them even if they choose not to. Individuals benefit from the learning opportunities provided by libraries and information provided at the service centres. Having a library in a community may contribute to the public's pride in its community and acts as an anchor for further development.

Developers and new residents benefit from the provision of local library services which must be increased to cater for growth. Legislation stipulates that where libraries are provided, residents must be offered membership free of charge.

Funding Approach

Operational Expenditure:

- 0-10% - User Fees and Charges.
- 90-100% - Uniform Targeted Rate.

Capital Expenditure:

Capital expenditure for new buildings that provide a shared library / service centre is funded as follows:

- 15-25% general rates.
- 15-35% financial contributions.
- 40-70% uniform targeted rates and sales proceeds from existing buildings, where applicable.

Grant funding will be sought, where applicable and available.

Stock renewals are funded from uniform targeted rates.

Capital expenditure for new stock required as a result of population growth is funded from financial contributions.

Grant funding (Hastie Bequest Fund) is used for Te Puke area library purchases and as a contribution to the regional digital hub in Katikati.

Te Puna library contract

We fund this contract as a collecting agent in order to secure public access to the facilities for the benefit of the Te Puna community.

We cannot charge user fees for this facility as we do not own the assets.

Te Puna library contract

This contract is funded by a targeted rate over the defined area of benefit (Te Puna).

Building communities

Libraries and service centres

Discussion / Rationale	Funding Approach
<p>Service centres</p> <p>Many individuals seek information from us in order to comply with Council processes, regulations and procedures. Individuals also obtain other benefits from information provided either in person, via the phone, email or the internet from Council service centres.</p> <p>This activity also includes delivery of internal service level agreements to other departments and functions and the monitoring of customer satisfaction with these services. Internal customers can be identified and charged through internal cost recoveries and overheads.</p>	<p>Operational expenditure for service centres is funded from general rates. For internal services provided, internal recoveries and overheads are applied.</p> <p>User fees and charges fund printing and scanning costs.</p>



Building communities

Community facilities

Our community outcome

In the Western Bay, no matter what age you are:

- people feel safe and welcome
- people are connected and feel they belong
- people can be active and healthy and enjoy the outdoors
- people have access to adequate housing
- people can learn and contribute.

Discussion / Rationale

Community halls

All community halls are available to the public. Groups and individuals use the halls for community and recreational use. Users can be identified and are charged by the respective hall committee for hireage. The community benefits from the existence of the hall and the option they have to use it.

In terms of Council policy, the facility must be available to the public and any project eligible for funding must enhance the value of the facility to the public at large.

Hall committees are able to apply for funding for capital development to community trusts and sponsors which could reduce the amount required to be collected by Council from ratepayers.

Housing for older people

The public indirectly benefits from supporting the health and well-being of low income residents through the provision of affordable housing.

Most of the benefits of elder housing are gained by the tenants of the units. Access to Council-owned affordable housing is limited to a relatively small number of low income older residents.

Funding Approach

Community Halls

Operational expenditure (Council's operational costs only)

Funded from General Rates.

Capital expenditure and significant maintenance projects (hall committee costs)

Funded from a Uniform Targeted Rates over a defined hall areas of benefit.

Housing for older people

100% of the funding for capital, operations and maintenance is provided from rental income.

Building communities

Community facilities

Discussion / Rationale	Funding Approach
<p>Cemeteries</p> <p>The public receives indirect benefit from this activity through the existence of cemeteries and the option they have of using them. The public also benefits from the heritage values of cemeteries and there are third party benefits associated with public health.</p> <p>Users of this service are the families of the deceased that choose to use Council cemeteries - from within and outside our District. They can be identified at the time of burial and charged for the use of the cemetery.</p> <p>The useful life of a cemetery is limited by the rate of uptake of the interment plots. As plots are used and spare capacity reaches a minimum level, we have to develop additional plots or berms.</p> <p>Booking of plots, without the requirement to pay an appropriate fee results in the need to develop additional berms in the absence of a corresponding income.</p> <p>Individuals can exclude themselves from using this service by choosing to be cremated or buried in other than Council-owned and operated cemeteries - for example an urupa.</p> <p>Vandalism can result in additional costs of providing this service.</p>	<p>Cemeteries</p> <p>Fees and charges target to recover 65-75% of capital, operational and renewals costs. General Rates are used to fund the remaining 25-35%.</p> <p>Any shortfall will be funded from the General Rate.</p>
<p>Gibraltar water scheme</p> <p>A private water scheme which supplies water to properties in Te Puke (No.3 Road) that are not serviced by Council's water infrastructure.</p>	<p>Targeted rate to support Gibraltar Water Supply Company.</p>

Building communities

Recreation and open space

Our community outcome

The recreation and open space network makes a significant contribution to achieving the following outcomes from the Communities Strategy and Environment Strategy.

- people are connected and feel they belong
- people can be active and healthy
- people enjoy the outdoors
- connecting people with the natural environment and having a lighter footprint
- protecting important natural and cultural areas.

Discussion / Rationale

District reserves, harbour structures, recreational service delivery contracts

Reserves provide recreation and open space to the community as a whole and many residents value their existence and the option to use them for both passive and active recreation. Facilities are available for use by visitors and residents alike.

Communities are often proud of their reserves and even if they do not use them themselves, people may recognise a prestige value attached to a particular reserve area.

In many cases it is not practical or efficient to identify the individual users of reserves and recreational assets.

Sports and recreational clubs whose clubhouses occupy parts of our reserves can be identified and are charged rentals. Graziers who occupy reserves for grazing can also be identified and charged. While users of jetties and boat ramps are not charged there could be some commercial use of these structures that could be identified and charged for. Users of swimming pools can be identified and charged by the pool administrators. Income from pool users contributes to the cost of running pools.

The level of provision of recreational assets is linked to demand, which is affected by population growth and development. Property developers can be identified and charged for the resulting consumption of reserves and facility capacity when properties are developed.

Funding Approach

District reserves, harbour structures, recreational service delivery contracts

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.

General Rates, fees for commercial use of boat ramps, rentals, lease fees, grazing fees, fines and reparation are used to fund operational expenditure including financing costs, renewals and capital expenditure relating to existing ratepayers.

The Environmental Protection Rate is used to fund coastal erosion projects relating to reserves.

The service delivery contracts for Council's swimming pools is funded from the Uniform Annual General Charge. User fees and charges contribute help to offset operational costs.

Financial contributions are used to fund the capital cost of swimming pool upgrades and development, where increased capacity is required to accommodate growth.

For the rest of the network, financial contributions are used to fund capital development that is required to accommodate growth and to service loans where appropriate. Capital developments funded by financial contributions may include expenditure on assets that are not in Council ownership or on Council land.



Building communities

Recreation and open space



Discussion / Rationale

Land has an infinite life with the life of improvements exceeding 15 years. Lives of coastal and harbour structures range from 15-50 years. The life of swimming pool assets is estimated at 50 + years.

Actions identified that result in increased expenditure on this activity include vandalism, littering and inappropriate use of facilities which results in increased costs to ratepayers for maintenance and replacement of assets.

Camping grounds

While we do not run motor camps, we do lease property on a commercial basis to various motor camp operators. The lessees of the property have a legal interest in the land and use this for commercial gain. They are charged market rates for the right of occupation through a lease agreement.

The properties are either held as reserve land or as corporate property.

The public benefits from the existence of the camp ground as a community asset and public access to the property is protected by Section 17 of the Reserves Act 1977, subject to any specific terms of the lease and bylaws.

The Reserves Act also requires that any financial surpluses generated from reserve land must be used for reserve purposes, providing a public benefit.

The land and improvements to the property revert to Council on expiry, surrender, breach or otherwise of each lease. No inter-generational benefits have been recognised as the useful life of the assets is not known.

Actions that result in increased expenditure on this activity include legal disputes which may arise with lessees and could result in increased expenditure such as increased compliance and monitoring costs.

Funding Approach

Council encourages communities and clubs to apply for funding from external sources for recreational facilities before approaching Council for funding. Only if communities are unsuccessful in obtaining funding will Council consider contributing funding to any recreation facilities beyond the basic level of provision of facilities outlined in this Strategy.

Council (along with Tauranga City Council) receives income from the commercial forestry crop at TECT Park which assists in funding costs associated with development and management of the Park.

Camping grounds

Lease rentals fund operating costs, overheads and maintenance of the properties undertaken by Council. Any shortfall will be funded from the General Rate.

Building communities

Regulatory services - animal services

Our community outcome

Regulatory services are delivered through a balanced compliance approach, promoting the safety and well-being of our communities and enhanced sustainability of our built and natural environments.

- communities are healthy and safe
- animal control services: Provide a safe environment for the public through promoting responsible dog ownership
- building services: Building work is regulated to ensure the health and safety of people and sustainability in design and construction methods
- resource consent services: The quality of the environment is maintained and enhanced through effective decision-making on resource consents
- community protection: Improve, protect and preserve the environment and public health and safety by minimising risks from nuisances and offensive behaviour.

Discussion / Rationale

Animal control services

The public benefits from the enforcement of bylaws and legislation aimed at meeting health, public order and safety requirements. In relation to dog control in particular, the community as a whole benefits from Council's response to complaints about uncontrolled or nuisance dogs. Events provide dog owners with an opportunity for interaction and education.

Similarly patrolling public places and enforcement of designated dog on leash/prohibited areas (especially during the holiday season) benefit the wider community, as does impounding nuisance dogs. Many impounded dogs are returned to their owners upon payment of applicable infringement fees and impounding costs. Destruction of unclaimed dogs is avoided where possible through use of our adoption and fostering programmes.

Registration of dogs provides a benefit to identifiable individuals as lost and found dogs can be returned to owners. Dog owners who do not maintain control of their animals may cause public nuisance and/ or danger, requiring the attention of animal control officers. While identified offenders are fined, there remains an unrecovered cost of enforcement. People can avoid using the registration services by not owning a dog.

Funding Approach

Animal control services

Funding targets for the dog control activity are set at 75-85% private benefit funded through dog registration fees, impounding fees and fines, and 15-25% public benefit funded through General Rates.

Funding targets for the livestock control activity are set at 0-10% private benefit funded through user fees, impounding fees and sale of unclaimed stock and 90-100% public benefit funded through General Rates. Where cost recovery through fees falls short of these targets, the shortfall will be funded through General Rates.

Building communities

Regulatory services - animal services



Discussion / Rationale	Funding Approach
<p>There is a more defined private benefit that can be attributed to livestock control services where we respond to complaints about wandering stock. In most cases stray stock is returned to the owner by animal control officers. Offenders can only be prosecuted through the courts, with unrecovered costs of enforcement remaining in cases where prosecution would be cost prohibitive and/or unlikely to be successful. Council is empowered to sell unclaimed stock, which can partially recover the costs incurred by its impoundment.</p> <p>Education improves overall public safety and increases compliance.</p>	

Building communities

Regulatory services - building services

Community outcome

Regulatory services are delivered through a balanced compliance approach, promoting the safety and well-being of our communities and enhanced sustainability of our built and natural environments.

- communities are healthy and safe
- animal control services: Provide a safe environment for the public through promoting responsible dog ownership
- building services: Building work is regulated to ensure the health and safety of people and sustainability in design and construction methods
- resource consent services: The quality of the environment is maintained and enhanced through effective decision-making on resource consents
- community protection: Improve, protect and preserve the environment and public health and safety by minimising risks from nuisances and offensive behaviour.

Discussion / Rationale

Building services

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.

Public education and the monitoring and investigation of complaints improve safety and benefits the community. Complaint investigations incur costs that cannot always be attributed to a specific applicant or fee so cannot be recovered.

Individuals have the opportunity to obtain information without being an applicant for a specific process.

The community may benefit from the use of information obtained by individuals.

When applicants are well informed, applications can be processed more smoothly. The public may benefit from this in terms of reduced numbers of complaints.

Monitoring and reporting misconduct in relation to restricted building work improves safety and benefits the wider community.

Funding Approach

Building services

The overall funding target for Building Services is 85-95% user fees and infringements, and 5-15% General Rates.

Within this, the funding targets for maintaining Building Consent accreditation, processing building consents, building warrants of fitness and compliance schedule applications (and undertaking the necessary inspections for these processes) are 90-100% user fees and 0-10% General Rates

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.

Building communities

Regulatory services - resource consents

Our community outcome

Regulatory services are delivered through a balanced compliance approach, promoting the safety and well-being of our communities and enhanced sustainability of our built and natural environments.

- communities are healthy and safe
- animal control services: Provide a safe environment for the public through promoting responsible dog ownership
- building services: Building work is regulated to ensure the health and safety of people and sustainability in design and construction methods
- resource consent services: The quality of the environment is maintained and enhanced through effective decision-making on resource consents
- community protection: Improve, protect and preserve the environment and public health and safety by minimising risks from nuisances and offensive behaviour.

Discussion / Rationale

Resource consents

The service exists primarily to enable the development aspirations of individuals, in a manner that meets community expectations as set out in the District Plan. Generally, the applicant for services can be identified and charged, although it is acknowledged that there is a wider public benefit from this service.

Control of development and the imposition of consent conditions benefits the public in general. Our District Plan rules are designed to control the negative effects of development and to impose charges on developers to mitigate those negative effects for the benefit of the wider community. Notified consents provide an opportunity for non-applicants to have their say, although recent trends show there is generally a small number of notified consents annually.

Where resource consents are appealed to the Environment Court, we have no ability to charge appellants or other parties in the appeal process.

Individuals have the opportunity to obtain information without necessarily being a consent applicant, such as prior to purchasing a property or understanding the legality of activities being undertaken by neighbours. Whilst individuals may derive a private benefit when making enquiries and could theoretically be charged for this service, this would not be practical.

Discussion / Rationale

Land Information Memoranda (LIMs) and Property Information Memoranda (PIMs)

Individuals can apply for a LIM or PIM on any property, enabling the applicant to be well informed about their property purchase decisions. They derive a private benefit from the use of this service, and can be identified and charged at the time they apply to use the LIMs/PIMs service. Indirectly, this service can bring illegal or dangerous situations to the attention of Council.

Funding Approach

Resource consents

For processing land use and subdivisions consent applications, the funding target is 100% user fees with any shortfall funded from General Rates.

Appeals to the Environment Court are funded 100% from General Rates.

Public enquiries are 100% funded by General Rates.

Funding Approach

Land Information Memoranda (LIMs) and Property Information Memoranda (PIMs)

Funding target for the LIMs and PIMs service is 100% user fees, with any shortfall from General Rates.

Building communities

Regulatory services - community protection

Community outcome

Regulatory services are delivered through a balanced compliance approach, promoting the safety and well-being of our communities and enhanced sustainability of our built and natural environments.

- communities are healthy and safe
- animal control services: Provide a safe environment for the public through promoting responsible dog ownership
- building services: Building work is regulated to ensure the health and safety of people and sustainability in design and construction methods
- resource consent services: The quality of the environment is maintained and enhanced through effective decision-making on resource consents
- community protection: Improve, protect and preserve the environment and public health and safety by minimising risks from nuisances and offensive behaviour.

Discussion / Rationale

Traffic and parking services

Enforcement of bylaws and Transport Regulations for improving and maintaining traffic safety provides a public benefit. Individuals benefit from the potential opportunity to use convenient parking spaces, but they cannot be identified. Enforcement of parking bylaws enables businesses in the patrolled areas to benefit from accessible parking close to their businesses.

Alcohol licensing and the District Licensing Committee

The public benefits from the assurance that premises selling alcohol are appropriately licensed, complying with the conditions of their licence and meeting the obligation to reduce alcohol-related harm. Private benefit is also derived for applicants with licences, as they are legally required before a business can operate. Applicants can be identified and charged for these services.

Environmental Health

Public health and safety is protected when food and other premises are appropriately registered and monitored. Private benefit is also derived from applicants for these various licenses as they are legally required before a business can operate. Applicants can be identified and charged for these services. Premises with poor or unsafe food handling practices can be charged for the costs associated with compliance.

Management of hazardous substances in public places benefits the wider community.

Funding Approach

Traffic and parking services

Funding target is 100% through infringement fines, with any shortfall funded from General Rates.

Alcohol licensing and the District Licensing Committee

Funding target is 50-60% user fees and 40-50% from General Rates.

Environmental Health

Funding targets for the following services are:

- licensed premises - 55-65% from user fees and 35-45% from General Rates
- management of hazardous substances in public places - 100% from General Rates
- swimming pool fencing services - 75-85% from user fees and 15-25% from General Rates.

Building communities

Regulatory services - community protection

Discussion / Rationale	Funding Approach
<p>Swimming pool fencing inspections ensures public health and safety through compliance with Building Act 2004 requirements. A private benefit can be attributed to an identifiable pool owner, and the administration, processing and inspection costs can be charged accordingly.</p>	
<p>Resource consent monitoring and District Plan compliance Monitoring and enforcement of consent conditions ensures that development of our District is consistent with our District Plan, benefiting the whole community rather than individuals. Protection lot monitoring, noise control and bylaw enforcement benefit the community as a whole. Individual consent holders can be identified and charged when they receive monitoring of their consent conditions.</p> <p>Monitoring expenditure can increase where there is non-compliance with consent conditions and enforcement is required. Cost recovery can include infringement fines and/or prosecution through the court.</p>	<p>Resource consent monitoring and District Plan compliance Funding target is 5-15% from user fees and infringement fines and 85-95% from General Rates.</p>
<p>Public enquiries about nuisances, general bylaw compliance and monitoring Responses to community concerns and public enquiries on nuisances and bylaw compliance has wider public benefit. Private benefits may be derived where rectification has a positive impact on neighbouring properties. However, it is difficult to identify and charge these people for this service.</p> <p>Some of the cost of investigation can be recovered through fines and penalties from those found in breach. However, because there are no infringement penalties in a number of our bylaws, and the Health Act (as legislation does not empower this), the cost of compliance and monitoring cannot necessarily be recovered through infringement fees. Prosecution through the courts is costly and requires a substantive evidence base in order to gain a favourable outcome.</p>	<p>Public enquiries about nuisances, general bylaw compliance and monitoring Funding target is 5-15% infringement fees and 85-95% General Rates, with any shortfall funded from General Rates.</p>

Building communities

Stormwater

Our community outcome

A stormwater management system that manages flood risk, contributes to improving water quality, and contributes to enhancing ecological and cultural values.

Discussion / Rationale

Stormwater - General

Education aimed at raising community awareness of stormwater issues and good practice benefits the District as a whole.

Some communities will be required to implement higher standards of stormwater treatment as a result of having sensitive receiving environments, for example wetlands, estuaries and harbours. While these communities could be seen as the cause of the adverse environmental effects, protection of these environments also benefits the whole District.

Individual property owners within a community cannot exclude themselves from benefiting from the existence of a stormwater system and we could not exclude them from receiving these benefits if they refused to pay for the service.

Different communities may benefit from different levels of service for stormwater. This could be as a result of topographical conditions, for example steep slopes, unstable land or density of settlement, i.e. urban versus rural densities of development.

Funding Approach

Capital expenditure

Financed initially by loans and serviced from:

Financial contributions, if expenditure is to accommodate growth and/or to pay for the consumption of excess capacity in the stormwater supply system. Includes the related loan servicing (holding) costs.

For capital expenditure to service existing ratepayers. 90% Uniform Targeted Rates over the defined area of benefit which has a reticulated stormwater system. 10% from General Rates.

Areas of benefit

- Urban Growth nodes – Katikati, Ōmokoroa, Te Puke, Waihi Beach (including Pios Beach, Athenree).
- Small settlements – Kauri Point, Maketu/Little Waihi, Paengaroa, Pukehina, Tanners Point and Te Puna.
- Minden.

Building communities

Stormwater

Discussion / Rationale

Stormwater - General

Individuals benefit from the delivery of this service through the reduction in risk of damage due to flooding and/or erosion on their properties. Properties that benefit from stormwater assets can be identified.

Individuals also benefit from this service as it reduces the risk of flooding to commercial and business centres.

Developers benefit from the existence of excess capacity in the stormwater system. In some cases stormwater assets and levels of service have to be increased to enable development to proceed.

Not all ratepayers are connected to a stormwater system, primarily our District's towns and small settlements are connected but not our rural residents.

Some actions increase expenditure on this service:

- Modifications to overland flow paths through minor earthworks, construction of retaining walls or fences.
- Growth of trees or shrubs in overland flow paths.
- Additional paving, hard surfaces or buildings may increase the volume of stormwater run-off and reduce its quality/effectiveness.
- Inappropriate disposal of hazardous substances and contaminants into the stormwater system increases the requirements for stormwater prior to discharge.

Expected useful lives of stormwater assets:

- Reticulated stormwater >60 years.
- Open drains 30 to 50 years.

Some drains and reticulation systems have surplus capacity which can be utilized by later developments.

If this activity were funded using a rate in the dollar a disproportionate burden of the funding would fall on high value properties, especially those in rural areas where there is limited stormwater infrastructure benefit received.

Funding Approach

Operational, maintenance and renewals expenditure

90% Uniform Targeted Rates over the defined area of benefit which has a reticulated stormwater system. 10% from General Rates.

Areas of benefit

- Urban Growth nodes - Katikati, Ōmokoroa, Te Puke, Waihi Beach (including Pios Beach, Athenree).
- Small settlements - Kauri Point, Maketu/Little Waihi, Daengaroa, Pukehina, Tanners Point and Te Puna.
- Minden.

General Rates may be used to service interest payments and growth related debt when Council considers that financial contributions and/or development contributions will not provide adequate funding.

Building communities

Stormwater



Discussion / Rationale

Waihi Beach coastal protection project

This policy applies to the project that comprises:

- Dune enhancement - 412m dune enhancement (shoreline at northern end of Shaw Road)
- Rock revetment - 1,047m rock revetment (along shoreline at Shaw Road, Ayr Street and the Loop) and 1.2m wide timber access ways
- Three Mile Creek works - 146m dune enhancement (shoreline off Glen Isla Place) and creek training at Three Mile Creek using training groynes
- Maintenance and monitoring during the life of the works.

The policy does not apply to:

- Coastal erosion works in other locations, intended for the purpose of protecting Council esplanade reserves, strategic harbour walkways or public access ways. Such structures are included in the District Reserves Activity.
- Additional works at Two Mile Creek, e.g. Creek Training.

If coastal erosion went uncontrolled and damage to property occurred, the image of Waihi Beach could be adversely affected.

If protection works were not constructed other costs may be imposed on the community such as litigation in the event of property loss or the need for other solutions to the erosion problem.

Walkways along the top of the rock revetment will provide public access. Two Council reserves (Elizabeth Street Reserve and Brewer Park) will be protected through these works. These reserves comprise two out of 85 properties in the primary hazard area. The works reduce the risk of erosion to esplanade reserves but the works themselves will reduce the amenity value of the esplanade reserves.

In areas where beach scraping and dune care is undertaken there is expected to be some improved beach amenity value and environmental enhancement.

Funding Approach

Waihi Beach coastal protection project

Loans will be used to finance capital expenditure, excluding renewals, over a 25 year period. These loans will be serviced from the following revenue sources:

General rate reserves

To finance up to 5% of the capital cost of the project.

Balance of Waihi Beach Drainage Reserve and Waihi Beach Erosion Reserve
Lump sums transferred to finance the capital cost of the project. (\$272,000).

Rates collected for coastal protection works (2003/04) - Lump sum transferred to finance the capital cost of the project. (\$245,474).

Uniform Annual General Charge (UAGC)

To fund the revenue required for capital and all operating, maintenance and finance costs of the Three Mile Creek training groynes.

Uniform Targeted Rate for the Waihi Beach Ward

To fund 25% of the remaining revenue requirement for capital and all operating, maintenance and financing cost of the rock revetment works. To fund 30% of the remaining revenue requirement for capital and all operating, maintenance and financing cost of the coastal protection works for the dune enhancement work (northern end and off Glen Isla Place).

Area of benefit targeted rates

Uniform Targeted Rate for 83 beachfront properties directly benefiting from the works or

- lump-sum contributions* equivalent to loan and interest portion of revenue requirement over 25 years; and
- area of benefit targeted rates to meet the revenue required for maintenance and operations for those properties that elect to take up the lump-sum payment option.

To fund 75% of the remaining revenue requirement for capital and all operating, maintenance and financing costs of the rock revetment (53 properties).

Building communities

Stormwater

Discussion / Rationale	Funding Approach
<p>Waihi Beach coastal protection project (continued)</p> <p>Two Mile Creek and Three Mile Creek provide waterways into which stormwater discharges flow from both rural and urban catchments. The eroding effects of additional stormwater from increased urban development are not considered significant in terms of intensity, when compared to the overall quantity of stormwater from existing urban and rural catchments.</p> <p>Three Mile Creek receives treated discharges from the Waihi Beach wastewater treatment plant.</p> <p>The Waihi Beach community therefore benefits from the existence of Two Mile Creek and Three Mile Creek but there is no direct stormwater or wastewater benefit from the erosion mitigation works.</p> <p>Individual properties that receive benefits from the reduced risk of property damage resulting from coastal erosion can be identified and can be charged for the service.</p> <p>The life of the protection works is 25 years. The works are designed to protect buildings and property that have a long life.</p>	<p>To fund 70% of the remaining revenue requirement for capital and all operating, maintenance and financing costs of the coastal protection works for the dune enhancement, northern end (23 properties) and off Glen Isla Place (7 properties).</p> <p><i>* a lump-sum payment option is offered each year to the properties benefiting from the rock revetment.</i></p>
<p>Two Mile Creek</p> <p>A public benefit has been identified as there is no practicable alternative to using Two Mile Creek to convey the stormwater that collects in this area to the ocean.</p>	<p>Council conveys stormwater collected above Two Mile Creek to the ocean through Two Mile Creek the increase in dwellings and changes to rainfall patterns have led to the banks of the creek eroding. It has been identified that there is a private benefit from the proposed capital works as the mitigation of erosion protects those properties from further loss of land or damage.</p> <p>Capital Works</p> <p><i>Above Dillon Street bridge.</i></p> <ul style="list-style-type: none"> • Capital works to be funded 90% from growth communities UTR and 10% from General Rates. • Any land required to achieve the preferred solution will be vested by the respective land owners. <p><i>Below Dillon Street bridge.</i></p> <ul style="list-style-type: none"> • 25% to be funded by the properties who receive a direct benefit as a result of the works. • The balance will be funded 90% from growth UTR and 10% from General Rates.

Building communities

Transportation

Our community outcome

Transportation networks are safe, affordable, sustainable and planned to meet our community's needs and support economic development.

- Transportation networks support and promote economic development.
- The impact on the environment of the transportation system is mitigated where practicable.
- Transport systems enable healthy activity and reduce transport-related public health risks.
- Transport systems improve access and mobility.
- Land use and transportation network planning are integrated. Communities are healthy and safe.

Discussion / Rationale

Network optimisation and network development

Council has a statutory responsibility under the Local Government Act 2002 to manage its transportation network for the benefit of the community.

Both individuals and the community as a whole benefit from the efficient flow of goods, services and people through the transport network. Through registration, individual vehicles can be identified when they use the road. It is practically possible to charge road users through fuel taxes and road user charges and tolls. It is also possible to exclude road users who refuse to pay through enforcement of registration and tolling parts of the roading network.

When roads are not at capacity increased use by individuals does not reduce the ability of others to use the road. Conversely when capacity is reached, increased use of the road by individuals reduces the ability of others to use the road.

Public benefits of improving/maximising the efficient flows of goods and services and people through the network include:

- reductions in emissions and energy efficiency improvements as a result of reduced travel distances and/or congestion.
- contribution to improved social cohesion by increasing accessibility within the District
- indirect benefits of improved economic wellbeing.

Funding Approach

Capital expenditure

- Roading Rates including Roading Uniform Targeted Rate (UTC) and Rural Works charge for capital expenditure to service existing ratepayers
- Financial contributions for capital expenditure to accommodate growth and/or to pay for any excess consumption in the roading network. Includes the related loan servicing costs (interest, administration)
- Private contributions, where applicable, in terms of our policy.
 - Waka Kotahi NZ Transport Agency (NZTA) subsidies for eligible projects (49 - 51% for this Long Term Plan).

Where appropriate loans are used to finance large projects and then funded from the sources above.

Building communities

Transportation

Discussion / Rationale

Private benefits identified include:

- developers benefit from the ability to subdivide. This growth may result in uptake of the existing roading capacity
- road users benefit from the maintenance and upgrade of roads by having reduced vehicle operating costs, reduced accidents, reduced driver frustration, reduced travelling times and increased road user comfort
- safety improvements and travel time savings for road and rail users from increasing use of rail to transport bulk items
- improved pedestrian mobility by removing heavy vehicle traffic from local town centres.

Commercial/Industrial and Post Harvest zoned properties are charged a differential of 2 in the roading rate. The rationale for this is that high volumes and heavy vehicles servicing these properties cause the infrastructure to wear at a higher rate. Integrated planning creates time and cost efficiencies which benefit individual transport users.

Developers benefit from integrated transport planning because well connected subdivisions may command higher section prices.

Our ability to recover for private benefit is limited by Government policy on the use of vehicle registration charges. This funding is provided through New Zealand Transport Agency (NZTA) subsidies which are available according to certain criteria.

The components of roading have widely varying design lives ranging from 3 to 75 years. The key roading component lives are:

- Base course - 25-75 years
- Seal - 12 years
- Unsealed road surfaces - 3-5 years

Actions that result in increased expenditure on this activity include:

- illegally overloaded vehicles that reduce the life of the road
- cattle crossings that require cleaning up
- heavy traffic turning in driveways which damages the edges of roads.

Funding Approach

Operational, maintenance and renewals expenditure including financing costs that relate to existing ratepayers

- Roading Rate Uniform Targeted Rate on all properties in our District.
- Roading Rate based on land value for all residential, commercial, industrial, post-harvest zoned and rural properties.
- Rural Works charge for all rural zoned properties.
- New Zealand Transport Agency (NZTA) subsidies for eligible projects (49% - 51% for this Long Term Plan).

For particular community projects or higher levels of service, as negotiated with the relevant community

Targeted rates over the defined area of benefit.

Roading rates may be used to service interest payments and growth related debt when Council considers that financial contributions and/or development contributions will not provide adequate funding.

Building communities

Transportation



Discussion / Rationale	Funding Approach
<p>Environmental mitigation</p> <p>The community as a whole benefits from the effective management of the environmental impacts of the transport network as a result of:</p> <ul style="list-style-type: none"> • actions taken to reduce negative environmental effects • environmental recovery costs reduced by the ability to undertake immediate action to mitigate or reduce the environmental impact. <p>Emergency environmental response services provide a private benefit to those affected or responsible for accidents through our ability to undertake immediate action.</p> <p>These individuals could be identified at the time they use the service.</p> <p>Improved travel demand management benefits identifiable individuals by reducing travel time and energy consumption.</p> <p>Owners of poorly maintained vehicle, which contribute to excessive emissions, may result in more Council expenditure being required for this activity.</p>	
<p>Health and safety</p> <p>The public benefits of transport-related health impacts include:</p> <ul style="list-style-type: none"> • the potential for reduced community health costs through increased physical activity for example use of cycleways, walkways and footpaths • improved road safety and personal security • reduced vehicle emissions. <p>Pedestrians and cyclists cannot be as easily identified as vehicles when they use the roads. It would be impractical to identify the individual users of walkways and cycleways.</p> <p>Seal Extensions: Residents in the vicinity of roads undergoing seal extension enjoy a private benefit as they could technically be identified and charged. They could benefit from the potential reduction in vehicle wear and tear, increased road-user comfort, productive gains resulting from elimination of dust and increased property values.</p>	

Building communities

Transportation



Discussion / Rationale	Funding Approach
<p>Modal choice and mobility</p> <p>The transport network forms a vital part of any community's means of communication and movement of goods, services and people which benefits the community as a whole, even if they do not actually use some parts of it.</p> <p>The community as a whole also benefits from others using the transport network; for example visitors, ambulances, fire service, postal delivery, etc.</p> <p>The community and affected individuals gain indirect and direct benefits from the increased mobility of transport disadvantaged people, through the effect it has on their ability to participate in the economy and play a part in the social life of the community.</p> <p>Reducing heavy traffic volumes helps to improve individual pedestrian mobility, however it is not practical to individually identify those receiving this benefit. Individual users of public transport could theoretically be identified. However, where public transport is subsidised, charging the full cost of the service would defeat the purpose of the subsidy.</p> <p>The availability of alternative transport modes (including public transport) has the potential to reduce congestion and travel times for individual road users who can be separately identified.</p>	

Building communities

Water supply

Our community outcome

Water supply is provided to our community in a sustainable manner.

- Provide potable water of an appropriate standard and quality to meet the needs of consumers within the three supply zones.
- Sustainably manage our water resource, water supply infrastructure and consumer use of water across the three supply zones.

Discussion / Rationale

We have a statutory responsibility as an administering body under the Local Government Act 2002 to manage our District's water supply for the benefit of the community. However, it should be noted that many rural ratepayers in our District are not connected to Council water supplies as they provide their own water.

Provision of potable water provides public health and sanitation benefits to the community. It enables commercial and industrial businesses to have access to clean water for their activities.

If potable water were unavailable economic development would be constrained and the community as a whole would suffer.

Water supply schemes provide fire-fighting capability to the community.

Individuals provided with water can be identified and charged for the service. Increased use of water by some customers reduces the amount available for others. We are progressively implementing water metering across the District which will help extend the life of existing water supply schemes, help identify water losses through leaks and ensure that those individuals who use more water pay their fair share.

Water supply, treatment facilities and reticulation systems have surplus capacity designed to cater for growth. Developers who take advantage of this capacity by subdividing properties can be identified and charged.

The life of assets ranges from 40 to 100 years and are designed to cater for growth. Actions identified that result in increased expenditure on this activity include:

- undetected leaks resulting in water losses.
- illegal connections contributing to water losses.
- poor maintenance of pipes and taps leading to water losses.
- customers with large connections and a rapid delivery rate (>20mm) affect the level of service that can be offered elsewhere, especially in peak demand times.

Funding Approach

Capital expenditure

Initially financed by loans to match the life of the asset which are serviced from:

- Financial contributions, for expenditure to accommodate growth and/or to pay for the consumption of excess capacity in the water supply system. Includes the related loan servicing (holding) costs.
- User fees and charges for capital expenditure to service existing ratepayers.
- Targeted rates can be used to recover capital costs of extensions to networks.

Operational, maintenance and renewals expenditure including financing costs that relate to existing ratepayers

User fees and charges including:

- metered uniform targeted rates and charges for actual water consumed via metering
- unmetered water uniform targeted rates
- connection fees including additional fees for large connections >20mm
- availability charges - to those properties able to connect but not connected.

General Rates may be used to service interest payments and growth related debt when Council considers that financial contributions and/or development contributions will not provide adequate funding.

Protecting the environment

Natural environment and sustainable living

Our community outcome

A clean green valued environment, achieved by:

- increasing indigenous biodiversity
- protecting important natural and cultural areas
- having a lighter footprint
- connecting people with the natural environment
- making decisions to address the impacts of climate change.

Discussion / Rationale

The community as a whole benefits from activities that contribute to protecting and enhancing the environment. These benefits may include:

- Functional benefits - carbon sequestration, tourism opportunities and ecosystem services such as the provision of freshwater, air, fertile soils, riparian protection and flood control.
- Bequesting Value - the ability to pass on environmental integrity to future generations.
- Existence Value - the value of environmental preservation in perpetuity.
- Knowledge - increased awareness and knowledge that leads to local actions that enhance the environment.

These benefits accrue equally - no part of the community benefits more, or less, from this activity.

The Activity offsets negative environmental impacts of land use and development, that cannot be avoided or mitigated on site. It is therefore appropriate that some of the costs of the activity are funded from the 'exacerbator' through financial contributions.

Private landowners may gain a specific benefit where increased environmental enhancement protects their properties from natural hazard risks such as coastal erosion and flooding. Targeted rates may be used in these instances.

Land owners are incentivised to protect areas of significant ecological and cultural values. It is appropriate for these landowners to receive a remission in rates for these areas, in recognition of the feature's protection in perpetuity.

Funding Approach

Total Activity Programme:

- 45%-55% financial contributions.
- 45-55% - targeted rates funding.

Operational costs (including staff time) are funded from general rates.

Pukehina Beach Sand Relocation Programme:

- 80% of the programme funded by targeted rate over coastal side of Pukehina Parade.
- 20% of the programme funded by targeted rate over remaining properties in Pukehina Beach.

Protecting the environment

Wastewater

Our community outcome

Wastewater services are well planned and maintained to ensure a clean and healthy environment.

- All areas in our District served by Council's reticulated wastewater disposal systems meet acceptable health, safety and environmental standards.
- Assist small urban communities along the Tauranga Harbour to ensure that the wastewater disposal options available to them meet health and safety requirements.

Discussion / Rationale

Provision of reticulated wastewater systems in the district provides public health and sanitation benefits to the community. If adequate wastewater disposal systems were unavailable economic development may be constrained or environmental standards may be compromised, which would affect the community as a whole.

Individuals provided with reticulated wastewater can be identified and charged for the service. Wastewater reticulation systems, treatment facilities and disposal systems have surplus capacity designed to cater for growth. Developers who take advantage of this capacity by subdividing can be identified and charged.

Increased volumes of wastewater produced by some commercial and industrial users (trade waste) require that the capacity of the system be larger. Higher toxicity of the wastewater produced by some users requires more treatment in order to meet consents for disposal.

Many ratepayers are not connected to our wastewater systems and construct and maintain their own septic tanks.

Actions that result in increased expenditure on this activity include:

- Illegal disposal of stormwater into the wastewater systems via illegal private connections and sub-standard private connections.
- Infiltration and inflow into reticulation systems through poorly maintained or badly constructed reticulation systems.
- Illegal discharges of trade waste into domestic sewers.
- Trade waste discharges which are not measured or charged.
- Pollution of the harbour and coastal areas from poorly maintained septic tanks.
- Pollution caused by septic tank de-sludging.
- Contractors disposing of septage at non-conforming disposal sites.

Funding Approach

Capital expenditure

Initially financed from loans and serviced from:

- Financial contributions, if expenditure is to accommodate growth and/or to pay for the consumption of excess capacity in the wastewater supply system. Includes the related loan servicing (holding) costs.
- Wastewater targeted rates over the applicable area of benefit to fund capital expenditure (excluding renewals) to extend services to existing properties. This may include the opportunity for lump sum contributions.
- External subsidies.

Operational, maintenance and renewals expenditure including financing costs that relate to existing ratepayers

Funding sources to cover 96% of the revenue requirement include:

- area of benefit targeted rates (uniform charges)
- availability charges
- multiple connection charges
- capital charges
- financial contributions
- fees and charges from trade waste and connections
- subsidies (if available).

Protecting the environment

Wastewater

Discussion / Rationale

Wastewater infrastructure typically has a long life:

- reticulation and manholes 60 to 100 years, depending on pipe material
- pumps and pump stations 25 years on average
- wastewater treatment and disposal facilities 50 years.

Funding Approach

To fund 4% of the revenue requirement:

- Environmental protection rate.

General Rates may be used to service interest payments and growth related debt when Council considers that financial contributions and/or development contributions will not provide adequate funding.

Protecting the environment

Solid waste

Community outcome

Effective waste management practices that minimise waste to landfill and encourage efficient use of resources to reduce environmental harm.

- Reduce and recover more waste.
- Apply the latest proven and cost-effective waste management and minimisation approaches.
- To collect information to enable decision making.
- To create benefit for our community.

Discussion / Rationale

Education, promotion of waste minimisation benefits, planning for and monitoring waste benefits our district as a whole. When individuals make use of education and information on waste and hazardous waste issues the community benefits as a result.

If the remediation and monitoring of closed landfills were not undertaken it would affect the community as a whole, through downstream effects on the environment.

The existence of greenwaste and recycling facilities will benefit those in the local area.

If convenient facilities are not provided to dispose of greenwaste it may be more likely that it will be illegally dumped and may result in increased enforcement and regulatory costs for the whole community.

It is sometimes possible to identify individuals who are illegally dumping cars and other rubbish. They may be prosecuted.

Individuals using greenwaste and recycling facilities can be identified and charged for the service.

Council wishes to encourage recycling and therefore chooses not to charge gate fees at its recycling drop off facilities.

Council also wishes to consolidate its revenue collection for this activity by geographical area of benefit and has chosen to combine targeted rates for greenwaste and recycling with targeted rates for landfill remediation and monitoring where facilities are available.

Funding Approach

Capital expenditure excluding renewals

Initially financed by loans and serviced from solid waste targeted rates (uniform annual charges) over the applicable area of benefit (currently Eastern, Western and Ōmokoroa).

Waste minimisation levy received from the Ministry of the Environment to fund waste minimisation activities.

Operational, maintenance and renewals expenditure

Provided from:

- Environmental protection rate to fund District-wide operational expenditure.
- Area of benefit targeted rates uniform annual charges (Eastern and Western) and user fees to fund renewals and all operating, maintenance and financing costs of closed landfills, green waste and recycling centres.
- Waste Minimisation levy to fund waste minimisation activities.
- User fees, area of benefit targeted rates to fund renewals of capital and all operational, maintenance and financing costs of Ōmokoroa greenwaste facility.
- User fees for kerbside rubbish collections.
- Area of benefit targeted rates for service availability, for kerbside recycling, glass, and food scraps (urban areas) collections.

Protecting the environment

Solid waste

Discussion / Rationale

The life of greenwaste and recycling assets is estimated at 25 years. Achieving a cleaner environment benefits future generations through not leaving a legacy of waste.

Illegal dumping and littering requires cleaning up which increases costs. Offenders often cannot be identified.

We have a responsibility to ensure that remediation and monitoring of closed landfills continues.

Council's increased role in kerbside service delivery through the Council-contracted collection of rubbish, recycling, glass and food scraps (urban areas). These services benefit those households using the service. A targeted rate on the geographic area of benefit where the services are available, reflects the access to services. For rubbish collection user fees and charges are more appropriate, as those that create more waste are clearly identifiable and can be directly charged. Using fees and charges for rubbish collections also helps to encourage the reduction of waste to landfill and the utilisation of recycling options.

Funding Approach

Supporting our economy

Economic development

Community outcome

To encourage the sustainable use of local resources in a way which strengthens economic opportunities and improves social outcomes.

- Foster partnerships between organisations, including local and Central Government and businesses to support economic, social, cultural and environmental development.
- Council services are committed to being business-friendly to encourage and enable businesses to flourish and contribute to building vibrant communities.
- Enable an environment where community groups and business can collaborate and work together on shared outcomes for communities.

Discussion / Rationale

Economic development

The public benefits from a strong and sustainable local economy, increased prosperity and the availability of a wide range of employment opportunities provide third party benefits to the public.

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, provide benefits to the whole District. The marketing, development and management of the region as a tourism destination benefits the tourism industry and other businesses in our District. The community may receive third party benefits because, if tourism is growing, facilities can be developed to cater for visitors that are also enjoyed by local residents. In considering the practicality of charging businesses a targeted rate for economic development, it would be technically difficult to identify 'businesses' located on land zoned rural or residential. In addition, horticultural and agricultural businesses also benefited from economic development expenditure as they are also businesses.

Funding Approach

Funding is provided from:

General Rates (Uniform Annual General Charge):

- Economic development
- Tourism support

General Rates on capital value:

- Visitor information services

Uniform Targeted Rates on Community Board areas of growth centres:

- Town centre plan implementation
- Economic and community development projects

Ward uniform targeted rates (UTRs) for:

- Town centre promotion
- Service delivery contracts

Uniform targeted rates on commercial and industrial zoned and post harvest zoned properties:

- Town centre promotion
- Service delivery contracts

Uniform annual general charge (UAGC) for:

- Town centre development projects across our District.



Supporting our economy

Economic development

Discussion / Rationale	Funding Approach
<p>Visitor information</p> <p>This service is provided in anticipation of visitors' needs for information. There are public benefits from the existence of the service and from the option of using it when they need it.</p> <p>Some individuals benefiting from the visitor information service can be identified and charged. Some commercial tourism operators may benefit from referrals by the service.</p> <p>It is not our policy to charge users for the provision of visitor information. Volunteers provide some of this service.</p>	

Support services

Support services

Discussion / Rationale	Funding Approach
<p>Internal services</p> <p>The users of this activity are other Council functions or departments. As a result there are no public benefits identified.</p> <p>The users of these services are identifiable. Where particular costs can be allocated to specific departments on a user-pays basis they can be charged through internal recovery of direct costs.</p> <p>Where it is not possible to identify specific departments costs can be allocated to departments and functions in a fair and consistent manner through the overhead allocation process.</p> <p>When overheads are allocated to activities that are funded by fees or targeted rates there may be a consequential increase or decrease in fees required to fund that activity.</p> <p>Land has an infinite life and the life or remaining corporate assets will depend on their composition and purposes. This could range from 10 to 75 years.</p>	<p>Internal services</p> <p>All costs are recovered either on a user-pays basis, through overhead allocation, or allocation of the General Rate.</p>