

**Draft**

# **Waitomo District Council**

## **Revenue and Financing Policy**

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**2021**

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## INTRODUCTION | KUPU ARATAKI

Under Section 102 of the Local Government Act 2002 (LGA 2002), all local authorities are required to adopt a Revenue and Financing Policy (RFP).

The RFP provides details of Council's policies in respect of funding operating and capital expenditure, including how the policy was developed and what sources are used to fund the different activities. Total funding comprises a funding mix of rates, fees and charges, debt and other income.

The application of the Revenue and Financing Policy is reflected in the Funding Impact Statement for a particular financial year. To understand the rating impact of the policy it needs to be read in conjunction with the Funding Impact Statement.

This policy complies with the legislative requirements of section 103 the LGA 2002 which sets out a number of factors that Council has to consider in determining its RFP.

## PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

The purpose of this Policy is to set out how the operating and capital expenditure of each of Council's activities is to be funded – that is, who pays for what, how and why. The Policy outlines:

- Available funding mechanism (e.g. rates, fees, borrowings, etc),
- Council's funding considerations (i.e. the decision about how each Council Activity is to be funded and the process followed to reach the decision), including
  - Funding of operating costs (i.e. the funding mix Council has chosen for each Activity's operating costs), and
  - Funding of capital costs (i.e. the funding mix Council has chosen for each type of capital investment).

The application of this Policy is set out elsewhere:

- Rates charges and definitions are set out in the Funding Impact Statement,
- Fees and charges for all Activities are set out in the Fees and Charges Schedule.

## DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

<b>National Benefit</b>	Benefits the nation and is public in nature.
<b>District Benefit</b>	Benefits the whole District and is public in nature.
<b>Regional Benefit</b>	Benefits the Region and is public in nature.
<b>Commercial Benefit</b>	Benefits the commercial sector and has elements of both public and private benefit.
<b>Community Benefit</b>	Benefits a particular Community of Interest and is public in nature.
<b>User Benefit</b>	Benefits an identifiable individual, group, or community segment.
<b>Applicant</b>	Benefits an identifiable individual, group or community segment.
<b>Offender / Exacerbator</b>	The cost is the result of offenders, or ones who exacerbate a problem.
<b>SUIP</b>	For the purposes of this Policy, the definition of SUIP / separately used or inhabited part of a rating unit shall be as set out in the Council's Funding Impact Statement.

**1.0 Funding Principles**

In developing the Revenue and Financing Policy and determining the appropriate funding sources for each activity, Council considered each activity against the principles laid out in section 101 (3) of LGA 2002.

Principle	Rational for its application
<b>Community Outcomes</b>	<p>These are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. Section 101(3)(a)(i) of the LGA 2002 requires that in determining the funding sources, Council identify the community outcomes to which each activity primarily contributes.</p> <p>This Revenue and Financing Policy lists for each group of activities, the outcomes to which it primarily contributes, and states why each activity is undertaken.</p>
<b>Distribution of Benefits</b>	<p>Section 101(3)(a)(ii) of LGA 2002 requires costs to be allocated where the benefits lie. Council assessed the Distribution of Benefits for each activity, whether the benefits flowed to the District as a whole, or to individuals or identifiable parts of the community.</p> <p>In order to assess the Distribution of Benefits, it is necessary to first describe and define the different types of benefits that flow from Council activities.</p>
<b>Period of Benefits</b>	<p>Section 101(3)(a)(iii) requires the consideration of intergenerational equity – the principle that the costs of any expenditure should be recovered over the time that the benefits of the expenditure accrue. This principle applies particularly to the allocation of capital expenditure and results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it over that period.</p> <p>The principles of funding operating and capital expenditure are as stated in this policy. They are assumed to apply to each activity, unless otherwise stated in the individual Activity Analysis section.</p> <p>Operational expenditure is funded annually and therefore there are no intergenerational equity issues to be considered. Intergenerational equity issues arise in relation to capital expenditure and investments and identified in the individual activity analysis sections where relevant.</p>
<b>Exacerbator Pays</b>	<p>Section 101(3)(a)(iv) requires Council to assess the extent to which each activity is undertaken to remedy the negative effects of the actions or inaction of an individual or group. It is important to note that the actions themselves may not be negative or “bad” but they may have negative effects on the whole community.</p> <p>This principle (exacerbator or polluter pays principle) is particularly relevant to Council’s regulatory functions and other activities undertaken to mitigate the adverse effects of community behaviours on the environment.</p> <p>The Exacerbator Pays principle suggests that Council should, where it is practical, recover any costs directly from the individual or group that contributes to the deterioration of a situation or to a cost that is a direct result of their actions.</p> <p>Most activities do not exhibit exacerbator pays characteristics. This heading is only included in the analysis of those activities which do demonstrate such characteristics.</p>
<b>Costs and Benefits</b>	<p>This consideration includes transparency, accountability and some assessment of the cost efficiency and practicality of funding a particular activity separately.</p> <p>Transparency and accountability are most evident when an activity is totally distinctly funded. This allows ratepayers, or payers of user charges as the case may be, to see exactly how much money is being raised for and spent on the activity. However, funding every activity on an individual basis would be extremely administratively complex. The administrative costs and lack of materiality has led Council to fund a number of activities collectively. The individual Activity Analysis section of this policy does not repeat this argument for each activity.</p>

## **2.0 Expenditure to be funded**

### **2.1 Funding of Operating Expenditure**

- 2.1.1 Where expenditure does not create a new asset for future use or extend the lifetime or usefulness of an existing asset, it is classed as operating expenditure.
- 2.1.2 Council funds operating expenditure from the following sources:
- General Rates
  - Uniform Annual General Charge
  - Targeted Rates
  - Fees and Charges
  - Interest and dividends from investments
  - Grants and subsidies towards operating expenses
  - Other sources.
- 2.1.3 Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years.
- 2.1.4 Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The process used is as specified by the LGA 2002.
- 2.1.5 The Funding Impact Statement produced each year (as required by Schedule 10(20) LGA 2002) shows the impact of the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

### **2.2 Funding of Capital Expenditure**

- 2.2.1 Capital expenditure is the cost of creating or upgrading a new asset, or extending the lifetime of an existing asset. Capital expenditure can also be incurred to improve the level of service provided by the asset.
- 2.2.2 The following sources are available for Council under the LGA 2002 to fund capital expenditure:
- Grants and subsidies
  - Depreciation reserves
  - Loans
  - Rates
  - Proceeds from asset sales
  - Financial contributions under the Resource Management Act 1991
  - Development contributions under the Local Government Act 2002
  - Other
- 2.2.3 Council makes use of all of the above sources of funding of capital expenditure, with the exception of Development Contributions. Population trends show that there is no demand for growth related infrastructure at the present time. There is currently enough capacity in the infrastructure networks to allow for nominal growth should it occur in an area. The RFP does not include a provision for growth related capital expenditure as it has been assumed that capital outlay to cater for growth will not occur until there is evidence that the assumed growth is taking place.

- 2.2.4 Council makes provision for capital expenditure for renewals and capital developments which relate to improvements to levels of service. Funding sources used by Council for capital expenditure for renewals in order of priority are, subsidies and grants (when available), depreciation funding, loan funding, and lastly, rate funding. Expenditure for capital developments for improvements to levels of service are funded in the following order of priority: subsidies and grants (when available), loan funding, and lastly, rate funding.
- 2.2.5 Loan funding is an appropriate funding mechanism to enable the effect of peaks in capital expenditure to be smoothed and also to enable the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community at the time or over the period the benefits of that expenditure accrue.

### **3.0 Sources of Funding**

The funding sources available to a local authority are set out under the LGA 2002 and the LGRA 2002. Presented below are descriptions of the available funding sources.

#### **3.1 General Rate**

- 3.1.1 The General Rate is set under Section 13(2) (a) of the LGRA 2002 and has been used to part fund the activities of Leadership, Community and Partnerships, Recreation and Property, Regulatory Services, Resource Management and Solid Waste. It is set according to the Revenue and Financing Policy for these activities.
- 3.1.2 The General Rate is a rate per \$100 of capital value applied to all rateable properties in the District. A General Rate is used according to the Revenue and Financing Policy, when:
- Council considers that a capital value rate is fairer than the use of other existing rating tools for the service funded; and
  - Council considers that the community as a whole should meet costs of the function; and
  - Council is unable to achieve its user charge targets and must fund expenditure; or
  - UAGC use would be a fair method but Council is constricted by the 30% cap (Section 21 LGRA 2002).

#### **3.2 Uniform Annual General Charge (UAGC)**

- 3.2.1 The UAGC, assessed on each separately used or inhabited part of a rating unit (SUIP), is set under Section 15 of the LGRA 2002 and has been used to part-fund some activities where overall District-wide benefit has been assessed (details are contained within the relevant activity funding sections).
- 3.2.2 UAGC is assessed on each separately used or inhabited part (SUIP) of a rating unit to:
- Ensure equity in bearing the cost liability of a service (or part of service) which is deemed equally beneficial to all
  - Ensure that those with multiple uses pay a fair share
  - Provide a consistent treatment between all uniform charges.
- 3.2.3 In setting the UAGC, based on the Revenue and Financing Policy, Council will consider the following aspects:
- Adherence to the legislative cap (UAGC to be maximum of 30% of total rates excluding any fixed rate charges for water or wastewater) and;
  - Set the amount of UAGC such that it is as fair as possible to all ratepayers and in consideration of the principles of affordability and sustainability.

- 3.2.4 Council may consider ‘capping’ the amount of the UAGC at a certain value or that any increase in UAGC will be limited to a maximum of the Local Government Cost Indicator (LGCI) for that year (to be determined by Council through the annual rates setting process).
- 3.2.5 This consideration is primarily to maintain rates affordability and is in keeping with section 101(3) of LGA 2002 which explicitly requires that the funding needs be met by sources considered appropriate by local authorities, after giving consideration to, among other things, the impact of the funding allocations on the interests of the community.

### 3.3 Targeted Rates

- 3.3.1 A Targeted Rate is set under Sections 16 or 19 of the LGRA 2002 and has been used to part fund the groups of activities of Community and Partnerships, Recreation and Property, Wastewater, Water Supply, Stormwater, Solid Waste and Roads and Footpaths. Targeted Rates are set according to the Revenue and Financing Policy for these services.
- 3.3.2 A Targeted Rate is used according to the Revenue and Financing Policy, when:
- Council considers that a Targeted Rate would enable a higher level of transparency in funding allocation; or
  - Council considers that a Targeted Rate is fairer than the use of other existing rating tools for the service funded, in consideration of the benefit derived from the service. The percentage of benefit is determined by Council’s Revenue and Financing Policy.
- 3.3.3 The LGRA 2002 allows for Targeted Rates to be assessed on land defined on the basis of use to which land is put, area of land, location of land, the value of land and the provision or availability of Council services. Targeted Rates may be imposed as a fixed rate or differentially based on property uses.
- 3.3.4 Council will use location (Schedule 2(6) of LGRA) to define the land liable for a number of targeted rates based on location. The following location definitions for the respective rating areas will apply:

<b>Te Kuiti Urban Rating Area</b>	All rating units situated within the Te Kuiti urban area, shown as shaded blue on the map attached in Appendix One.
<b>Te Kuiti Urban and Periphery Rating Area</b>	All rating units situated within a 5km radius, all around, from the i-SITE (deemed to be the centre of town) in Te Kuiti, shaded in grey and purple on the map attached in Appendix Two.  Council considers this boundary of Te Kuiti Urban and Periphery Rating Area (for the purpose of assessing the Aquatic Centre Fixed Rate to be fair in consideration that the benefit derived from the services funded by this Targeted Fixed Rate are accrued equally by those living within the 5km radius.)
<b>Rural Rating Area</b>	All rating units situated in the rural areas, shaded green on the map attached as Appendix Three in the district (excluding those rating units shaded blue on the map attached in Appendix One.)
<b>Piopio Township</b>	All rating units connected or with the ability to connect to the Piopio Sewerage System.
<b>Piopio Wider Benefit Rating Area/ PWBRA</b>	All rating units situated in the rural areas around Piopio township (excluding rating units/SUIPs connected or with the ability to connect to the Piopio sewerage system) that are deemed to indirectly benefit from the Piopio sewerage reticulation network, shown as yellow on the map attached as Appendix Four.
<b>Marokopa Community Centre Rating Area</b>	Any separately used or inhabited part of a rating unit within the defined Marokopa Community Centre area, shaded blue on the map attached as Appendix Five.

### **3.4 Fees and Charges**

- 3.4.1 Fees and Charges will be set according to Council's Revenue and Financing Policy where:
- It is assessed that the level of benefit to identified beneficiary/exacerbator groups justifies the seeking of user charges; and
  - There are identifiable and distinct user groups/exacerbators identified by Council's Revenue and Financing Policy; and
  - User fees represent the fairest method to seek a contribution from identified beneficiaries or exacerbators.
- 3.4.2 The Revenue and Financing Policy includes the percentage of fees and charges Council aspires to collect for the relevant activity. The actual fees and charges collected by Council will vary dependent on a number of external factors.

### **3.5 Interest, Subventions and Dividends**

- 3.5.1 Council receives limited interest from cash investments and borrower notes. Any interest received is used to offset the rate required in the year received.
- 3.5.2 Council has an investment in Inframax Construction Ltd. No dividends are forecast of the life the plan however if any dividends and/or subventions were to be received these would be used to repay debt.

### **3.6 Borrowing**

- 3.6.1 Borrowing is managed by the provisions of Council's Treasury Policy. Council's use of funding mechanisms to fund capital development is set out in the Funding of Capital Expenditure section of this policy.

### **3.7 Proceeds from Asset Sales**

- 3.7.1 Funds from any asset sales are applied first to offset borrowing in the relevant activity from which the asset was sold and secondly for repayment of existing term debt (Treasury Policy).

### **3.8 Development and Financial Contribution Policy**

- 3.8.1 Population trends show that there is no forecast demand on infrastructure created by growth, for the foreseeable future.
- 3.8.2 Currently Council does not require development contributions for development that triggers section 198(1) of the Local Government Act 2002.
- 3.8.3 Financial contributions are currently taken by Council as consent conditions for subdivision and land use activities approved under the Resource Management Act 1991 ("RMA") where possible. Formulae are specified in the District Plan for collecting financial contributions to remedy or mitigate the adverse effects of development on District.

### **3.9 Grants and Subsidies**

- 3.9.1 Council receives a subsidy from Waka Kotahi to part-fund operations, renewal, and capital development in provision of roads and footpaths.
- 3.9.2 Council pursues other Grant and Subsidy funding available from Central Government wherever it is considered appropriate.

## **4.0 Overall Impact of the Funding Mechanisms Selected**

- 4.1.1 Following consideration of the matters referred to in Section 101(3)(a), a picture emerges of where the benefits of engaging in activities land. Once this is done and indicative cost allocation



compiled, the final step in Council's process of developing this policy has been to consolidate the results of the individual activity analysis and consider these results in terms of Section 101(3)(b). Section 103(b) requires Council to consider the overall impact of any allocation of liability for revenue needs on the community. The impact is assessed on the current and future well-being of the community.

- 4.1.2 Council has agreed that for most activities where a District benefit has been identified, funding that benefit allocation equally through the General Rate and UAGC would be the most efficient, equitable and transparent funding method. Both the General Rate and the UAGC are appropriate funding sources when a District wide benefit is assessed.
- 4.1.3 Council's reasoning behind this decision was that for some activities, the UAGC would be the most appropriate method for funding the District allocation because of the 'equal benefit' nature of the activity, but Council needs to take into account the 'rates affordability' and 'ability to pay' considerations within the community and also the legislative 'cap' on the amount that can be funded through the UAGC.
- 4.1.4 This reasoning by Council has not been repeated in the rest of the policy except where Council has made exceptions to it.

## 5.0 Benefits Allocation and Funding Mechanism

- 5.1.1 Council's Revenue and Financing Policy has been developed mostly at activity level however for some activities it has been necessary to develop the policy at function level. The benefit allocation and funding mechanism for each function is included under the relevant activity or function in sections 6 to 16 of this policy.

## 6.0 Application of funding principles to the funding for each activity

- 6.1.1 Council has determined the sources of funding for capital and operating expenditure for each of its activities after considering the principles set out in Section 1.0 and the rationale for the use of funding sources. The table below outlines a summary followed by a detailed explanation.

Activity	Fees and Charges	Other Revenue	Grants and Subsidies	General Rate	UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
<b>Leadership</b>									
<b>Representation</b>									
Representation	1%	45%		27%	27%			GR	CV
								UAGC	SUIP
<b>Strategy and Engagement</b>									
Strategy and Engagement				50%	50%			GR	CV
								UAGC	SUIP
<b>Investments</b>									
Waikato Local Authority Shared Services				50%	50%			GR	CV
								UAGC	SUIP
Inframax Construction Limited				50%	50%			GR	CV
								UAGC	SUIP
Council Owned Quarries	100%								
<b>Emergency Management</b>									
				50%	50%			GR	CV

Activity	Fees and Charges	Other Revenue	Grants and Subsidies	General Rate	UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
Emergency Management								UAGC	SUIP
<b>Community and Partnerships</b>									
<b>Community Development</b>									
Community Development				48%	48%	4% (approx)		GR	CV
								UAGC	SUIP
								TFR (Piopio Retirement Village)	Rating Unit – within Piopio Township and the Piopio Wider Benefit Rating Area
<b>District Promotion</b>									
District Promotion				60%			20% Commercial and Industrial Businesses 20% Rural Businesses	TR	CV
								GR	CV
<b>Economic Development</b>									
Economic Development				60%			20% Commercial and Industrial Businesses 20% Rural Businesses	TR	CV
								GR	CV
<b>Regulatory Services</b>									
<b>Environmental Health</b>									
Environmental Health	30%			35%	35%			GR	CV
								UAGC	SUIP
<b>Animal and Dog Control</b>									
Animal and Dog Control	60%			20%	20%			GR	CV
								UAGC	SUIP
<b>Building Control Services</b>									
Building Control Services	40%			60%				GR	CV
<b>Alcohol Licensing</b>									
Alcohol Licensing	40%			30%	30%			GR	CV
								UAGC	SUIP
<b>Recreation and Property</b>									
<b>Parks and Recreation</b>									
Parks and Reserves				50%	50%			GR	CV
								UAGC	SUIP
								UAGC	SUIP
<b>Housing and Property</b>									
Elderly Persons Housing	100%								
Community Halls	3%			47.5 %	47.5 %	2%		TFR	SUIP – Marokopa Community Centre Rating Area (2021/22 only)
								GR	CV
								UAGC	SUIP

Activity	Fees and Charges	Other Revenue	Grants and Subsidies	General Rate	UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
Other Land and Buildings	35%			32.5 %	32.5 %			GR	CV
								UAGC	SUIP
<b>Community Facilities</b>									
District Libraries	2%			23%	75%			GR	CV
								UAGC	SUIP
Aquatic Centre	15%			5%	5%	60% (Te Kuiti Urban and Periphery Rating Area) 15% (Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area)		TFR	SUIP
								GR	CV
								UAGC	SUIP
Les Munro Centre	10%			45%	45%			GR	CV
								UAGC	SUIP
Aerodrome	100%								
<b>Public Facilities</b>									
Cemeteries	40%			30%	30%			GR	CV
								UAGC	SUIP
Public Amenities				50%	50%			GR	CV
								UAGC	SUIP
<b>Solid Waste</b>									
Kerbside Collection	40%					60%		TFR	SUIP
Waste Disposal	60%					40%		TFR	SUIP
Waste Minimisation			55%	22.5 %	22.5 %			GR	CV
								UAGC	SUIP
<b>Stormwater</b>									
Te Kuiti Stormwater						67% (Te Kuiti)	33%	TFR	Rating Unit
								TR	CV
Rural Stormwater						100% (rural areas)		TFR	SUIP
<b>Resource Management</b>									
District Plan Administration	40%			30%	30%			GR	CV
								UAGC	SUIP
District Planning				50%	50%			GR	CV
								UAGC	SUIP
<b>Wastewater</b>									
Te Kuiti Wastewater Treatment and Disposal	25%					65% + 10%		TFR	Residential properties per SUIP – connected/ serviceable –

Activity	Fees and Charges	Other Revenue	Grants and Subsidies	General Rate	UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
									District TFR (Harmonised)
								TFR - Base charge	Non-residential Per SUIP
								TFR – Pan Charge	Non – Residential Per Pan
								TFR - Trade Waste Contribution	Rating Unit – District Wide
								TFR - District-wide benefit allocation	Rating Unit – District Wide
Te Waitere, Piopio, Maniaiti/Benneydale Wastewater Treatment and Disposal						100%		TFR - District-wide benefit allocation	Rating Unit – District Wide
								TFR – collection and disposal	SUIP – connected/ serviceable – District TFR (Harmonised)
<b>Water Supply</b>									
Te Kuiti, Mokau, Piopio, Maniaiti/Benneydale Water Treatment, Storage and Distribution						60% + 10%	30%	TFR	SUIP – connected/ serviceable – District TFR (transition rate until 2024/25 when it is fully harmonised)
								TR	Water meter / consumption
								TFR - District-wide benefit allocation	Rating Unit – District Wide
<b>Roads and Footpaths</b>									
Subsidised Roading	1%		50%				49%	TR	CV - Rating Unit
Unsubsidised Roading	25%						75%	TR	CV - Rating Unit

## 7.0 Leadership

### 7.1 Description

#### 7.1.1 In carrying out this activity

- we enable, promote and support local democracy by providing governance advice and democratic services to elected members, the public and staff. We support public engagement with the mayor, councillors and with our democratic processes.

- We consider research, analysis and policy development, and provides advice to support development of the District with a focus on strategies, plans, policy, and bylaws to address the top issues facing our community. We also coordinate and undertake community engagement and consultation on a variety of issues
- We provide leadership to Council's investment portfolio which oversees the investment in Waikato Local Authority Shared Services, Civic Financial Services Ltd, Inframax Construction Ltd and Council owned quarries.
- Through emergency management we work to help the community be resilient and ready to deal with an emergency. We also support the Waikato Region Civil Defence and Emergency Management Group.

## 7.2 Activities

7.2.1 The Leadership Group of Activity (GOA) provides for:

- Representation
- Strategy and Engagement
- Investments
- Emergency Management

## 7.3 Costs and Benefits

7.3.1 The merit of identifying and accounting for functions under this Group of Activities separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo District.
- Greater opportunity for the Waitomo District to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

## 7.4 Activity analysis and funding mechanisms

### 7.4.1 Representation

This Activity involves the provision of leadership and governance of the District and includes the Mayor's Office and Council's governance, including committees.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
-	Secondary contribution	-	Primary contribution
Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	27%	General Rate
		27%	UAGC
		1%	Fees and Charges
		45%	Other Revenue: Penalties and sundry revenue

(a) Distribution of Benefits

District Benefit: The benefit of the Representation activity is considered to be District wide in nature as the benefits of good governance and representation benefit the District as a whole.

(b) Funding Mechanism

District Allocation: Council is not able to recover all the costs of this activity from penalties and fees and charges. The most appropriate method of funding the remainder of this activity is 50:50 between the UAGC and General Rate (GR). While the fairest method would be to fund this activity by UAGC, a combination of UAGC and General Rate is considered most appropriate, given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

### 7.4.2 Strategy and Engagement

This Activity includes:

- Carrying out long-term and annual planning for the District and producing plans which reflect the outcomes desired by the community.
- Communicating and consulting with the community on projects, issues and various planning documents, as well as surveys to gauge community satisfaction with services provided.
- Development of policy to promote community outcomes at a local level, and to influence policy at a regional or national level.
- Monitoring the achievement of the levels of service.
- Preparation of Council's Annual Report comprising public information on achievement against the financial and key performance targets of the previous year.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
-	Secondary contribution	-	Primary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

(a) Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of effective planning and policy development and the monitoring of Council activities and performance is of benefit to the entire District.

(b) Funding Mechanism

District Allocation: The most appropriate method of funding this activity is 50:50 between the UAGC and General Rate (GR). While the fairest method would be to fund this activity by UAGC, a combination of UAGC and General Rate is considered most appropriate, given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

### 7.4.3 Investments

Council has investments in land and other organisations that it manages for the benefit of the community and to generate income. The functions comprising this activity are:

1. Waikato Local Authority Shared Services (WLASS)
2. Council Owned Quarries
3. Inframax Construction Limited

7.4.3.1. Period of Benefit (Intergenerational Equity)

The total expenditure and income of Investment Activities needs to be specified over the proposed investment period as part of intergenerational funding decisions.

7.4.3.2. Investment in WLASS

This function represents Council's shareholding/investment in WLASS. The principle objective for the company is to provide the most effective access to regional information of mutual value to the regional community using modern technology and processes and to be an umbrella for future development of shared services within the region.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
	Secondary contribution	-	Primary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	80%	50%	General Rate
		50%	UAGC
Regional Benefit	20%	0%	No funding mechanism

(a) Distribution of Benefits

District Benefit: The investment in WLASS are assessed to have a District wide benefit as it is either made to generate income or to explore opportunities for cost reduction/efficiencies, which are used for the benefit of the entire District, or Council is involved for a strategic reason which again is for the benefit of the District as a whole.

National Benefit: Gaining the most effective access to regional information and services of mutual value to the regional community is seen as having national benefit.

(b) Funding

District Allocation: The fairest method of funding this investment would be by way of UAGC. However, due to the 30% UAGC 'cap' and rates affordability issues, Council resolved a combination of General Rate and UAGC to be the most efficient, effective and transparently lawful funding mechanism for this allocation.

National Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries Council resolved that the National Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

7.4.3.3. Investment in Inframax Construction Ltd (ICL)

This function represents Council's investment in ICL. ICL is a provider of roading construction and maintenance and other civil engineering infrastructural services.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Secondary contribution	-	Primary contribution

Attributable Benefit	Funding
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Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC
		0%	Dividend or Subvention

(a) Distribution of Benefits

District Benefit: ICL is assessed to have District wide benefit as it exists to give effect to social and economic outcomes that benefit the entire District. Council's investment in ICL is considered to be strategic in nature and for the benefit of the wider District as a whole.

(b) Funding

Investment Income: Council resolved that as this investment has been entered into for social and economic purposes it would be equitable to fund the cost of this activity through Investment Income (i.e. dividend and/or subventions), when available.

Any surplus generated through this investment will be used to for repayment of term debt which benefits the wider community by enhancing the financial sustainability of the Waitomo District Council.

District Allocation: Any deficit resulting from Council's investment in ICL will be funded by way of a combination of General Rate and UAGC which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

#### 7.4.3.4. Council Owned Quarries

This function involves the maintenance and management of Council owned quarries.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Secondary contribution	-	Primary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	Investment Income

(a) Distribution of Benefits

District Benefit: Council owned quarries are assessed to have District wide benefit as they exist to give effect to social and economic outcomes for the benefit of the entire District. Council's investment in quarries is considered to be strategic in nature and for the benefit of the wider District as a whole.

(b) Funding

Investment Income: Council resolved that as this investment has been entered into for social and economic purposes it would be most equitable to fund this activity through investment income (e.g. metal royalties/leases). Any net surplus income generated through this investment will be used to offset General Rate and UAGC rates income collected from the entire District.

District Allocation: Any deficit resulting from Council's investment in Quarries will be funded from the General Rate and UAGC which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.



#### 7.4.4 Emergency Management

Provision of emergency response capability, includes public education and administering the Civil Defence Emergency Management Act 2002.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
	Secondary contribution	-	Primary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National and Regional Benefit	10%	0%	Government Subsidy
District Benefit	90%	50%	General rate
		50%	UAGC

##### (a) Distribution of Benefits

National Benefit: Emergency Management has been assessed to have a certain element of National and Regional benefit, in that this service provides safety and general well-being to the national public under a national civil defence and emergency management network. By way of example, any significant natural disaster has the potential to disrupt state highways and the rail system which might affect the Country as a whole.

District Benefit: Civil Defence is considered to have a high District benefit. The benefit of this function is for the safety and well-being of all people within the District.

##### (b) Funding

National Allocation: Council considers that given the element of national benefit provided by the service, Central Government subsidy would be the most efficient and effective method of funding this allocation. However Central Government subsidies are no longer available so it was resolved that this allocation be re-allocated to District Benefit.

District Allocation: A combination of UAGC and General Rate is the most appropriate method of funding this activity given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of this activity.

## 8.0 Community and Partnerships

### 8.1 Description

- 8.1.1 The Community and Partnerships is a group of activities (GOA) where the Council, in a number of diverse roles, is actively involved in 'helping the community to help itself'. The Community Development service supports the wellbeing of our communities. This is done by enabling local organisations and private providers to deliver a variety of community-based services and activities to meet the needs of our community. This includes providing grants to community groups through community assistance grants, event funding and international sister city engagement.
- 8.1.2 We manage the District i-SITE to provide residents and visitors to the District access to quality, up to date information and a booking service for activities attractions and accommodation and events. In addition, we also provide funding to the Regional Tourism Organisation, Hamilton and Waikato Tourism Limited to promote our District.
- 8.1.3 We also support Regional and Economic Development opportunities and outcomes, specifically through funding towards Te Waka, the regional economic development agency

## 8.2 Activities

8.2.1 There are three activities under this GOA:

1. Community Development
2. District Promotions
3. Economic Development

## 8.3 Costs and Benefits

8.3.1 The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

## 8.4 Activity Analysis and Funding Mechanisms

### 8.4.1 Community Development

As part of this Activity Council seeks to improve social outcomes within Waitomo District by working closely with the District community. It includes safe communities, making grants to the community, provision of service contracts, Council's Sister City relationship and Youth engagement.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Primary contribution	Primary contribution	-	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	96%	48%	UAGC
		48%	General Rate
Community Benefit	4%	4%	Targeted Fixed Rate

(a) Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of the activity of supporting the community by working to create a better quality of life is beneficial to the entire District.

Community Benefit: A small element of this activity benefits the Piopio Community specifically via support to the Piopio retirement village. The wider Piopio community consider the Piopio retirement village is an asset that should be retained.

(b) Funding

District Allocation: It is considered that after funding the Piopio Retirement Village the most appropriate method of funding the remainder of this activity is 50:50 between the UAGC and General Rate (GR). The Community Development activity aims to develop a more liveable and vibrant district which can have an effect on the prosperity of the entire District.

Community Allocation: In recognition of the unique situation that exists with Piopio Retirement Village and of the invaluable role it plays within the Piopio Community, both now and in the future, the Piopio Retirement Village will receive an annual rates remission as determined by Council's Rates Remission Policy, to support the Trust in the continued delivery of elderly housing accommodation services.

The amount determined as the annual rates remission for the Piopio Retirement Village will be separately funded by way of a Targeted Fixed Rate assessed on all rateable units situated within the Piopio Township and the Piopio Wider Benefit Rating Area.

### 8.4.2 District Promotions

This Activity encompasses three functions that serve to attract visitors to the District and contribute over time to the overall development of the District.

- 1) **Visitor Information Centres** - We manage the District i-SITE to provide residents and visitors to the District access to quality, up to date information and a booking service for activities attractions and accommodation and events.
- 2) **District and Regional Promotion** - This activity involves regional tourism growth at both domestic and international levels, using Waikato regional branding rather than individual District brands. It also involves providing funding to the Regional Tourism Organisation, Hamilton and Waikato Tourism Limited to promote our District.
- 3) **Events** - Co-ordination of major events in the District, including the Great NZ Muster and the Christmas Parade.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Primary contribution	Primary contribution	-	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	80%	60%	General Rate
Community Benefit	10%	20%	Commercial and Industrial Businesses (Targeted Capital Value Rate)
		20%	Rural Businesses (Targeted Capital Value Rate)

(a) Distribution of Benefits

National Benefit: There is an element of national and regional benefit that results from attracting visitors to the District. New Zealand as a whole and particularly the region will benefit from services and events which attract overseas and local visitors.

Increased visitor numbers to Waitomo District will have flow on effects for our neighbours and help in promoting other neighbouring Districts as well.

District Benefit: The Visitor Industry is considered to have a District wide benefit as the activity gives effect to the economic development and employment within the District as

a whole. There are numerous examples that demonstrate tourism can contribute immensely to the whole economy in terms of increased employment, revenue generation and the like and that benefit will accrue to the overall District.

Community Benefit: The Visitor Industry provides a high degree of benefit to communities that provide meals, entertainment and accommodation.

(b) Funding

National/Regional Allocation: Council resolved that this allocation should be funded through Grants when available.

District/Community Allocation: Council considered that the overall District benefits to an extent from District Development Activities but also that specific beneficiaries can be identified (businesses) and therefore resolved a targeted District Development rate is the most efficient, effective and transparent method for funding this allocation. Council resolved that funding should be a rate per \$100 of capital value apportioned on the basis of 60% General rate, 20% Commercial and industrial businesses (categorised as Commercial, Industrial and Utilities in the Rating Information Database) and 20% Rural Businesses (categorised as Dairy, Pastoral, Specialist, Forestry, Minerals and Horticulture in the Rating Information Database).

**8.4.3 Economic Development**

This Activity involves the development, support and promotion of business-related programmes and activities and new employment initiatives within the District. It also involves the maintenance of a high quality environment, input into the urban infrastructure, the need to recognise the importance of international relationships and the tourism industry and utilisation of the landscape and culture of the Waitomo District. We also support Regional and Economic Development opportunities and outcomes, specifically through funding towards Te Waka, the regional economic development agency.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Primary contribution	-	-	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	80%	60%	General Rate Commercial and Industrial Businesses (Targeted Capital Value Rate) Rural Businesses (Targeted Capital Value Rate)
Community Benefit	10%	20%	
		20%	

(a) Distribution of Benefits

National Benefit: There is an element of national and regional benefit that results from attracting visitors and investment to the District.

District Benefit: The promotion of the district is considered to have a District wide benefit as the activity gives effect to the economic development and employment within the District as a whole.

Community Benefit: The commercial development within the district provides increased employment, growth and supports the sustainability of the District.

(b) Funding

National/Regional Allocation: Council resolved that this allocation should be funded through Grants when available.

District/Community Allocation: Council considered that the overall District benefits to an extent from Economic Development Activities but also that specific beneficiaries can be identified (businesses) and therefore resolved a targeted District Development rate is the most efficient, effective and transparent method for funding this allocation. Council resolved that funding should be a rate per \$100 of capital value apportioned on the basis of 60% General rate, 20% Commercial and industrial businesses (categorised as Commercial, Industrial and Utilities in the Rating Information Database) and 20% Rural Businesses (categorised as Dairy, Pastoral, Specialist, Forestry, Minerals and Horticulture in the Rating Information Database).

## 9.0 Regulatory Services

### 9.1 Description

9.1.1 The Regulatory Services Group of Activities works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of Central Government Legislation.

### 9.2 Activities

9.2.1 The activities under this GOA are:

1. Environmental Health
2. Animal and Dog Control
3. Alcohol Licensing
4. Building Control.

### 9.3 Costs and Benefits

9.3.1 The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### 9.4 Activity Analysis and Funding Mechanisms

#### 9.4.1 Environmental Health

The provision of environmental health services, including licencing and inspection of food premises and noise control. Council has specific statutory responsibilities under each of these functions.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Primary contribution	-	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	70%	35%	General Rate
		35%	UAGC
User/Applicant Benefit	20%	30%	Fees and Charges
Exacerbator	10%		

(a) Distribution of Benefits

District Benefit: Environmental Health delivers District benefits by ensuring minimum health standards, such as premises are licenced and safe, healthy and hygienic for the public to use, and providing general advice and education. Noise control services provided also contribute to healthy living. The investigation and notification of incidents of communicable diseases also provides benefit to the entire District.

User/Applicant Benefit: Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

Exacerbator/Offender: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licences and regulations and prosecution of offenders.

(b) Funding

User Allocation: Council resolved user fees and charges to be the most efficient, effective and transparently lawful available method for funding this allocation.

Exacerbator Allocation: User fees and charges are considered to be the most efficient, effective and transparently lawful available method for funding the Exacerbator allocation.

District Allocation: Council is not able to recover all the costs of this activity from fees and charges. The most appropriate method of funding the remainder of this activity is considered to be 20% UAGC and 20% General Rate (GR).

#### 9.4.2 Animal and Dog Control

Provision of an animal and dog control service for the District. This activity involves the registration of dogs as well as the prevention of harm to the community in cases of menacing or dangerous behaviour by dogs and dealing with roving stock.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Primary contribution	-	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	20%	General Rate
		20%	UAGC
User/Applicant Benefit	70%	60%	Fees and Charges
Exacerbator	10%		

(a) Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education and public safety. All residents have equal access to the use of the service.

User/Applicant Benefit: Individuals applying for and maintaining dog registration and receiving education are direct beneficiaries of this service. The allocation reflects the benefit to those individuals with animals.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, impounding of stock and prosecution of offenders.

(b) Funding

User Allocation: Council resolved that user fees and charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

Exacerbator Allocation: Council resolved that education and monitoring would be the most effective method to promote good animal management and control. Council also proposes that user fees and charges (in the form of infringements and penalties) would be the most efficient, effective and transparently lawful method available for funding this allocation.

District Allocation: Council considers that given there is some benefit to the entire district in the form of public safety, the most appropriate method of funding this allocation is through an equal split between General rate and UAGC.

**9.4.3 Building Control Services**

Provision of building control services, including issuing and monitoring of building consents

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Primary contribution	-	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	60%	General Rate
User/Applicant Benefit	75%	40%	Fees and Charges
Exacerbator	5%		

(a) Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education, and public safety. This activity is mandatory for Council and has a District benefit by ensuring minimum building standards are met and that buildings are safe for use. This activity is also driven by Central Government policies and there is increased focus at the national level around sustainable building development.

Applicant Benefit: Individuals and groups applying for a building consent, requiring building inspection, compliance certificates and advice, are the direct beneficiaries of this service.

Exacerbator: These are the costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consents and Warrants of Fitness.

(b) Funding

District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be General Rate since any investment in and development of the District will have more positive economic impact on larger property owners.

User Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation. However, since not all of the recovery of this benefit can be done through Fees and Charges which would make the fees too high and could potentially impact on development, Council resolved to partly fund this benefit through General Rate.

Exacerbator Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation.

#### 9.4.4 Alcohol Licensing

The Alcohol Licensing function oversees the administration of the Sale and Supply of Alcohol Act 2012 at a local level acting as the District Licensing committee on behalf of the Alcohol Regulatory and Licensing Authority which encourages the responsible sale and use of alcohol through licensing, monitoring of premises and enforcement of the Act. It also involves ensuring bylaws are enforced and complied with for public safety and well-being.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Primary contribution	-	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	35%	30%	General Rate
		30%	UAGC
User/Applicant Benefit	35%	40%	Fees and Charges
Exacerbator	30%		

##### (a) Distribution of Benefits

District Benefit: This activity is assessed at having a medium level of District benefit which occurs from ensuring Licenses are complied with, sellers of alcohol have certain qualifications, etc, which contributes towards public safety and well-being. General advice and education is also provided.

Applicant Benefit: The user benefit for this service is high. Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licenses and regulations and prosecution of offenders.

##### (b) Funding

Applicant Allocation: Council resolved user fees and charges to be the most equitable method for funding this portion of the benefit allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as the fees are set by legislation and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

Offender Allocation: User fees and charges are considered to be the most efficient, effective and transparently lawful available method for funding the Exacerbator funding allocation for this activity.



District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be 30% UAGC and 30% General Rate.

## **10.0 Recreation and Property**

### **10.1 Description**

- 10.1.1 Council's Recreation and Property Group of activities provides recreation and community facilities with the aim of ensuring that basic ranges of recreational activities are available to meet the present and future needs of the Community, and that Council meets its statutory obligations under such acts as the Reserves Act 1977 and Burials and Cremations Act 1964.
- 10.1.2 This Activity also ensures that the Community has essential community facilities such as public toilets and cemeteries. These facilities are necessary to ensure that public health and safety is maintained.

### **10.2 Activities**

- 10.2.1 The Activities comprising this GOA are:
1. Parks and Recreation
  2. Housing and Property
  3. Community Facilities
  4. Public Facilities

### **10.3 Period of Benefit (Intergenerational Equity)**

- 10.3.1 Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

### **10.4 Costs and Benefits**

- 10.4.1 The merit of identifying and accounting for functions under this Activity separately from other functions enables:
- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
  - Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
  - Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
  - Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
  - Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### **10.5 Activity Analysis and Funding Mechanisms**

#### **10.5.1 Parks and Recreation**

This activity involves the provision of parks and reserves in order to support the health and well-being of the community by supplying and maintaining areas for sport and recreation, as well as green places and landscapes that are restful and enhance the visual amenity.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
	Primary contribution	Secondary contribution	

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

(a) Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of providing recreational spaces and facilities for the community is of benefit to the entire District.

(b) Funding

District Allocation: The most appropriate method of funding this activity is 50:50 between the UAGC and General Rate given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

## 10.5.2 Housing and Property

The functions comprising of this Activity are:

1. Elderly Person's Housing
2. Community Halls
3. Other Land and Buildings

### 10.5.2.1 Elderly Persons Housing

This function involves the provision of affordable housing for the elderly. There are currently 20 pensioner units owned by Council. This function also involves maintenance of these units.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
	Primary contribution		Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	5%	100%	Fees and Charges
User Benefit	95%		

(a) Distribution of Benefits

District Benefit: Provision and maintenance of housing for the elderly provides a level of District wide benefit as it provides for the current and future social well-being of the District.

User Benefit: This service has a high degree of private benefit. The direct beneficiaries of Elderly Persons Housing are the occupants, and the family and friends of the occupants.

(b) Funding

District Allocation: Due to the minor nature of the District Benefit, Council resolved that this be reallocated to User Allocation. However it is recognised that the impact of fully funding this activity from fees and charges may be prohibitive if completed in one year and therefore agreed to transition the move to fully funding the activity from fees and charges. During the transition phase any shortfall will be funded by combination of General Rate and UAGC funding.

User Allocation: Council resolved Fees and Charges to be the most appropriate funding tool for this allocation as the users (tenants) are easily identifiable and excludable and the user charges can be easily administered. However, Council considered that not all of the recovery of this benefit can be undertaken through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

### 10.5.2.2 Community Halls

This function involves the provision and maintenance of halls through the support of Hall Committees throughout the District.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
	Primary contribution		Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	47.5%	General Rate
		47.5%	UAGC
		2%	TFR
User Benefit	0%	3%	Fees and Charges

(a) Distribution of Benefits

District Benefit: Provision of Community halls is assessed to provide benefit to the wider District as a whole as any member of the District can use the halls directly or as guests for functions, etc. Halls serve as places for meetings or functions, particularly where other options are unavailable.

(b) Funding

District Allocation: Given the element of general public benefit associated with this activity, the Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Council recognised that most community halls are operated and maintained by the different communities themselves and Council's expenditure on the activity was in the form of grants provided to the various hall committees towards operating costs.

In the case of Council assistance given for the development of Marokopa Community Centre, the same will be recovered over time as a Targeted Fixed Rate assessed on every SUIP within the Marokopa Community Centre Rating Area. This assistance will no longer be required from 1 July 2022 and the Marokopa Community Centre advance is forecast to be repaid by June 2022.

A small percentage of funding for this activity comes from fees and charges for hall hire to the community.

### 10.5.2.3 Other Land and Buildings

This function involves the maintenance and management of other miscellaneous Council owned properties.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Primary contribution		

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	30%	32.5%	General Rate
		32.5%	UAGC
User Benefit	70%	35%	Fees and Charges

(a) Distribution of Benefits

District Benefit: This activity is assessed to have a degree of District wide benefit as these land and buildings are retained and maintained by Council either with strategic intent or as investments which provide benefit to the District as a whole.

User Benefits: Lessees of these properties are the direct beneficiaries of the service. They are identifiable and able to be excluded.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved Fees and Charges to be the most efficient and transparently lawful method of funding this allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

### 10.5.3 Community Facilities

#### 10.5.3.1 The functions comprising of this Activity are:

1. District Libraries
2. Aquatic Centre
3. Les Munro Centre
4. Aerodrome

#### 10.5.3.2 District Libraries

This function involves the provision of library services to support culture, education, economic and personal development in the District. The main library is located at Te Kuiti.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Primary contribution		

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	23%	General Rate
		75%	UAGC
User Benefit	80%	2%	Fees and Charges

(a) Distribution of Benefits

District Benefit: District libraries provide a degree of benefit to the wider District as a whole which relates to enhancing the knowledge and skills of the population and provides enjoyment. Benefits also include the promotion of knowledge building, social interaction and the provision of services to people with special needs (e.g. the visually impaired and people with disabilities).

User Benefit: Borrowers, information seekers and users of other library services are direct beneficiaries of the service.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved that although the user benefit for this service is high, funding this allocation totally through Fees and Charges would be detrimental to usage as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC. Since libraries provide intangible benefits of promoting social and cultural development of the general population and also contribute to increasing literacy, it would be to the advantage of the District to promote their usage. It was resolved that 2% of the user benefit allocation be funded through Fees and Charges and the remaining be reallocated to District allocation.

### 10.5.3.3 Aquatic Centre

This function involves the provision and maintenance of the Waitomo District Aquatic Centre for leisure and competitive recreation opportunities for the community. Council's current aquatic asset is the public swimming pool in Te Kuiti.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Primary contribution		

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	5%	General Rate
		5%	UAGC
Community Benefit	70%	60%	TFR (Te Kuiti Urban and Periphery Rating Area)
		15%	TFR (Rating Units in the district not in the Te Kuiti Urban and Periphery Rating Area)
User Benefit	20%	15%	Fees and Charges

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that anyone wanting to use the facility has access to it. It is a facility that can be used by all and provides for the leisure, training or health needs of the entire District.

Community Benefit: The Aquatic Centre have a comparatively high degree of community benefit. It is assessed that people who live within the Community will benefit more than those who have to travel a longer distance to use the facility.

User Benefit: Individual users, clubs and schools are direct beneficiaries of the service.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Community Allocation: Council discussed that a large proportion of the benefit of this service lay in the Te Kuiti urban area and resolved that the activity be funded through a Targeted Fixed Rate differentiated by rating area (Te Kuiti Urban and Periphery Rating Area/Rating units in the district not in the Te Kuiti Urban and Periphery Rating Area) assessed per SUIP.

User Allocation: Council discussed that although the user benefit of this service is high, not all of the recovery of this benefit can be done through Fees and Charges as charging higher for the use of the pool would be detrimental to its usage. It would also impact on the purpose of promoting a healthy community and hence it was resolved that part of this allocation be transferred to Community Allocation.

10.5.3.4 Les Munro Centre

This function involves the maintenance and management of the Les Munro Centre.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Primary contribution		

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National/Regional Benefit	10%	0%	No funding mechanism
District Benefit	80%	45%	General rate
		45%	UAGC
User Benefit	10%	10%	Fees and Charges

(a) Distribution of Benefits

National/Regional Benefit: We own facilities that may be booked by national or regional organisations, private providers These have a small national benefit as they add benefit to the nation as a whole through stimulating local knowledge and history. They also help to add tourism value to the District.

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it contributes to the cultural well-being of the District as a whole. The facilities can also be enjoyed by all.

User Benefit: Individual users are direct beneficiaries of the service.

(b) Funding

National Allocation: A lawful funding method for this allocation is not available. Council resolved that this allocation be transferred to District Allocation.

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved user Fees and Charges to be the most appropriate funding tool for this allocation.

### 10.5.3.5 Aerodrome

This function involves the provision of an Aerodrome facility in Te Kuiti to provide leisure and recreational opportunities for residents and visitors to the District. Provision of a base for commercial aerial activities.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Primary contribution	Secondary contribution		

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	100%	Fees and Charges
User Benefit	80%		

#### (a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it provides a facility that contributes to the District economy through commercial use.

User Benefit: Individual users, clubs and commercial users are direct beneficiaries of the service.

#### (b) Funding

District Allocation: Due to minor nature of District Benefit, Council resolved that this would be reallocated to User Allocation. However it is recognised that the impact of fully funding this activity from fees and charges may be prohibitive if completed in one year and therefore agreed to transition the move to fully funding the activity from fees and charges. During the transition phase any shortfall will be funded by combination of General Rate and UAGC funding.

User Allocation: Council resolved that user Fees and Charges would be the most appropriate funding tool for this allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

## 10.5.4 Public Facilities

10.5.4.1 The functions comprising of this Activity are:

- Public Amenities
- Cemeteries

### 10.5.4.2 Public Amenities

This function involves the provision of:

- Public toilet facilities in the District to ensure visitors and residents have access to safe, clean and sanitary facilities.
- Street furniture, bins and other structures to visually enhance the town's environment and provide facilities for people to relax and enjoy the environment.
- Car park areas to ensure residents and visitors to the District can access conveniently located off street parking in our towns.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Primary contribution		

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	75%	50%	General rate
		50%	UAGC
User Benefit	20%	0%	Fees and Charges
Exacerbator	5%		

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that all people from within and outside the District have the ability to come and use public toilets, car park facilities and benefit from the provision of street furniture, bins and the like.

User Benefit: Individual users are the direct beneficiaries of the service. These can be visitors, as well as people from within the District.

Exacerbator: These are costs associated with responding to offenders (vandals).

(b) Funding

District Allocation: A combination of UAGC and General Rate is considered the most appropriate method of funding this activity.

Exacerbator: Council resolved that as it is usually hard to identify or inefficient to prosecute offenders this allocation be transferred to District Allocation.

User Benefit: Council agreed that although users are the direct beneficiaries of this service it would not levy fees and charges given the public health benefits of this service and the benefits to visitors of our district this service provides. Therefore, the user benefit allocation is transferred to District Allocation.

#### 10.5.4.3 Cemeteries

This function involves the provision and maintenance of cemeteries in the District as required under the provisions of the Burials and Cremations Act 1964.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
-	Primary contribution	-	

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	30%	General rate
		30%	UAGC
Community Benefit	30%	40%	Fees and Charges
User Benefit	60%		

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole. District benefit results from the promotion of public health and sanitary disposal of the deceased. It also contributes to the cultural well-being of all people in the District.



Community Benefit: Cemeteries have a small degree of community benefit. The Community benefit results from the promotion of public health and sanitary disposal of the deceased. It is also assessed that those people who live within the Community will utilise the cemetery more than those outside the Community.

User Benefit: Families and friends of the deceased are direct beneficiaries of the service.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Community Allocation: It was resolved that this allocation be reallocated to District Allocation as it was difficult to draw boundaries around the area serviced by a cemetery. Also, allocating the exact users of the cemeteries on a per community basis would be fraught with difficulties.

User Allocation: Council resolved user Fees and Charges to be the most efficient, effective and transparently lawful available method to fund this allocation. However, as it is difficult to accurately predict the fees and charges that will be generated from this activity and it can vary quite a bit from year to year, it was resolved that a portion should be reallocated to District Allocation.

## **11 Solid Waste Management**

### **11.1 Description**

11.1.1 The Solid Waste Group of Activities manage the refuse collection, disposal and recycling services for the Waitomo District. The solid waste network involves a series of recycling and transfer stations throughout the District. Residual waste is deposited at the District Landfill in Te Kuiti.

### **11.2 Activities**

11.2.1 The Solid Waste GOA is made up of three functions:

1. Kerbside Collection
2. Waste Disposal
3. Waste Minimisation

11.2.2 People generate un-recyclable waste each day and the current trend of increasing amounts of packaging and waste material results in an ongoing challenge for waste management. If waste is not managed in an appropriate manner it may result in serious public health and environmental concerns.

### **11.3 Period of Benefit (Intergenerational Equity)**

11.3.1 Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

### **11.4 Costs and Benefits**

11.4.1 The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.

- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

## 11.5 Activity Analysis and Funding Mechanisms

### 11.5.1 Kerbside Collection

This activity involves the provision of kerbside collection and recycling services to residents of Te Kuiti, Piopio, Awakino, Mokau and Waitomo Village and some surrounding parts.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
	Secondary contribution	Primary contribution	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Community/User Benefit	100%	40%	Fees and Charges
		60%	TFR Per community where service is provided

(a) Distribution of Benefits

Community Benefit/User: Communities that are provided with kerbside collection and recycling services are the beneficiaries of this service.

(b) Funding

Community Allocation/User Allocation: As users can be identified as a particular group (communities that are provided with the service) and also individuals that will benefit from the service, Council resolved that fees and charges and a Targeted Fixed Rate per separately used or inhabited part of a rating unit differentiated by Community receiving the service would be the most effective, efficient and transparent method for funding this allocation. Fees and charges are applied in order to meet the Waste Minimisation objectives in the Solid Waste Management and Minimisation Plan.

The utilisation of fees and charges (including the cost of solid waste disposal in the cost of the rubbish bag) will ensure that the true cost of disposal is reflected in the right place and paid for by the beneficiary. Reflecting the true cost of disposal in the price of a rubbish bag is also expected to encourage waste minimisation.

### 11.5.2 Waste Disposal

This function involves the maintenance and management of the Waitomo District Landfill in Te Kuiti and Transfer Stations across the District.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
	Secondary contribution	Primary contribution	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	45%	40%	Solid Waste TFR District wide
Community/User Benefit	55%	60%	Fees and Charges

(a) Distribution of Benefits

District Benefit: The provision of this service provides benefit to the entire District derived from the accessibility of landfill and transfer stations and in terms of maintaining public health standards within the District.

User Benefit: Users of the landfill and transfer stations are the direct beneficiaries of this service.

(b) Funding

District Allocation: Council resolved that a Targeted Fixed Rate assessed on the basis of separately used or inhabited part of a rating unit across the entire District would be the most efficient and transparent method for funding this allocation.

User Allocation: Council resolved that user Fees and Charges would be the most efficient and transparent method to fund this allocation.

### 11.5.3 Waste Minimisation

Preserves the environment and minimises potentially negative effects of the solid waste activity. Includes education programmes aimed at drawing attention to the benefits of waste minimisation and recovery.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
	Secondary contribution	Primary contribution	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	90%	22.5%	General Rate
		22.5%	UAGC
		55%	Waste Minimisation Rebate

(a) Distribution of Benefits

National Benefit: Effective Waste Minimisation provides not only environmental, but economic benefits as well, that accrue to the nation as a whole. Effective and appropriate disposal of solid waste helps protect public health and the environment for all New Zealanders.

District Benefit: All residents of the District benefit from general advice and education provided as part of this service. This activity is driven by Central Government policies and there is increased focus on waste minimisation at a national level, the benefits and costs of which accrue to the wider District as a whole.

(b) Funding

National Allocation: There is no lawful funding method to fund this allocation and therefore Council resolved that it be transferred to District Allocation.

District Allocation: Since all residents of the District benefit from the provision of this service, Council resolved a combination of General Rate, UAGC and Ministry of the Environment Waste Minimisation Rebates (when available) to be the most efficient, effective and transparent funding mechanism available to fund this allocation.

## 12 Stormwater Drainage

### 12.1 Description

12.1.1 Stormwater is rain that runs over the ground on its way to a natural watercourse. When rain falls on buildings, carparks, driveways, roads and gardens, if it doesn't soak into the ground it follows its natural flow path downhill until it reaches a water course or is collected by a pipe system. Where there is development, runoff from properties and roads flow into stormwater systems. The greater the level of development in a catchment, the greater the level of impervious surfaces (e.g. roofs, driveways, paths etc), and therefore the greater the conversion of rainfall into runoff. If this runoff is not managed well, it will cause flooding. Generally, stormwater is channelled on to roads or into open watercourses, then down streams and rivers to lakes and then the sea.

12.1.2 The stormwater system manages runoff by collecting and removing the runoff, eventually disposing of it into natural streams and rivers. The Stormwater Activity involves maintaining and extending the capacity of the existing system and advocating for the appropriate management of rivers and streams within the Waitomo District.

### 12.2 Period of Benefit (Intergenerational Equity)

12.2.1 Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

### 12.3 Costs and Benefits

12.3.1 The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### 12.4 Activity Analysis and Funding Mechanisms

#### 12.4.1 Te Kuiti Urban area

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
	Primary contribution	Secondary contribution	

Attributable Benefit – urban areas		Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	90%	67%	TFR
		33%	Targeted Rate (rate per \$100 of capital value)
User Benefit	10%	0%	Fees and Charges

#### 12.4.2 Rural areas

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
	Primary contribution	Secondary contribution	

Attributable Benefit – rural areas		Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	90%	100%	TFR
User Benefit	10%	0%	Fees and Charges

##### (a) Distribution of Benefits

Community Benefit: Communities that are provided with this service are the direct beneficiaries as it is their land and buildings that are protected from potential flooding. There are general public health benefits in providing a Stormwater system. A further significant community benefit from the Stormwater system is that roads remain passable during times of heavy rain and flooding.

User/Applicant Benefit: Individual land or property owners who can connect or are connected to the Stormwater network are the direct beneficiaries of the service.

##### (b) Funding

Community Allocation: Council resolved that the most effective, equitable and transparent methods to fund this allocation is:

###### Te Kuiti Urban Rating Area

A combination of:

- a Targeted Fixed Rate assessed on a per rating unit basis (which will fund the standing charges associated with the provision of the service). This charge will be increased no more than annually to a maximum of the Local Government Cost Index for that year.
- the residual funding requirement will be met from a targeted rate assessed on a rate per \$100 of capital value per rating unit in the Te Kuiti Urban Rating Area.

Properties in the Te Kuiti Urban Rating Area that hold current resource consents to discharge stormwater directly into the Mangaokewa Stream, and which are not utilising any part of the urban reticulated Stormwater or drainage network, will not be assessed for the targeted rate based on property value. However, the TFR is associated with the overall provision of an urban Stormwater service. As such this component is deemed to relate to the public good element of an urban Stormwater service. Therefore, the TFR will be assessed on all properties in the Te Kuiti Urban Rating Area.

###### Rural Rating Area

A Targeted Fixed Rate will be assessed on the basis of every separately used or inhabited part of a rating unit within the Rural Rating Area.

In deciding the funding split between the Urban and Rural rating areas, Council recognised that most of the Stormwater network exists in the urban rating area and urban properties benefited most from the service.

User/Applicant Allocation: Given that minimal new growth is forecast, Council resolved that the Targeted Rate and the Targeted Fixed Rate differentiated by Te Kuiti and rural areas is the most efficient and transparently lawful available method for funding this allocation.

## 13 Resource Management

### 13.1 Description

13.1.1 The Resource Management Group of Activities work towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of the Resource Management Act 1991 (RMA 1991).

13.1.2 These activities involve the administration, application and enforcement of the Waitomo District Plan provisions including:

- Issuing of resource consents for land use and subdivisions
- Monitoring consents for compliance with conditions
- Making amendments to the District Plan.

### 13.2 Activities

13.2.1 There are two functions under this activity:

1. District Plan Administration
2. District Planning

### 13.3 Costs and Benefits

13.3.1 The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### 13.4 Activity Analysis and Funding Mechanisms

#### 13.4.1 District Plan Administration

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Secondary contribution	Primary contribution	

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	60%	30%	General Rate
		30%	UAGC
User/Applicant Benefit	35%	40%	Fees and Charges
Exacerbator	5%		

(a) Distribution of Benefits

District Benefit: There is a district wide benefit to this activity as ensuring that the sustainable management of physical and natural resources in the District are developed in a planned and orderly matter is beneficial to the entire District.

User/Applicant Benefit: Individuals and groups applying for Resource Consents requiring monitoring are direct beneficiaries of this service.

Exacerbators: These are costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consent conditions, and can result in expensive legal action and/or hearings.

(b) Funding

User/Applicant Allocation: Council resolved that user fees and charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

Exacerbator Allocation: It is usually inefficient to prosecute offenders. Council agreed that it was not efficient or effective to separately fund this allocation due to the costs associated with prosecution, collection and administration and that education and monitoring are probably the most effective methods to promote a safe and sustainable environment in the District. It was resolved to reallocate this portion to District Allocation.

District Allocation: The most appropriate method of funding the remainder of this activity is considered to be 30% UAGC and 30% General Rate given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

### 13.4.2 District Planning

Involves the planning and strategy development around urban and District development with a view to promoting the principles of sustainable development.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Secondary contribution	Primary contribution	

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	80%	50%	General Rate
		50%	UAGC
Regional Benefit	20%	0%	No funding mechanism

(a) Distribution of Benefits

District Benefit: District Planning benefits the wider District as a whole. Sustainable land use and growth planning seeks to uphold and protect outcomes that are important to the entire District. Every resident and ratepayer within the Waitomo District has the opportunity to be involved in Council's District Planning processes.

Regional Benefit: There is an element of Regional Benefit to Council's District Planning function in that Regional outcomes and priorities can be advanced at a local level. Further,

there is a requirement in law that Council's District Plan is aligned with the regional policy statement.

(b) Funding Mechanism

District Allocation: Given the District wide benefit associated with District Planning, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

Regional Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries, Council resolved that the Regional Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

## **14 Wastewater**

### **14.1 Description**

14.1.1 The purpose of the Wastewater Activity is to collect, treat and dispose of sewage in an effective and environmentally friendly manner. Effective and efficient sewage collection, treatment and disposal is essential to protect the environment, maintain public health and to facilitate further economic development.

### **14.2 Schemes**

14.2.1 Council provides wastewater schemes in the following communities, in order to ensure the effective treatment and disposal of sewage in an environmentally sustainable manner and to promote and protect public health.

1. Te Kuiti
2. Piopio
3. Maniaiti/Benneydale
4. Te Waitere.

### **14.3 Period of Benefit (Intergenerational Equity)**

14.3.1 Capital works that are an improvement or addition to the asset are considered intergenerational.

### **14.4 Costs and Benefits**

14.4.1 The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.



## 14.5 Activity Analysis and Funding Mechanisms

### 14.5.1 Te Kuiti

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Secondary contribution	Secondary contribution	Primary contribution	

Attributable Benefit – Te Kuiti		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	TFR – District Benefit TFR – Trade Waste Contribution
Community Benefit	65%	65%	TFR – residential TFR – Non residential Base Charge TFR – Non residential pan charge
User/Applicant Benefit	25%	25%	Fees and Charges

#### (a) Distribution of Benefits

**District Benefit:** Wastewater services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there is a District-wide benefit from provision of adequate wastewater services in preventing environmental pollution and achieving public health outcomes.

Council notes that the social, economic and environmental benefits of communities in the District having sustainable wastewater services accrue to the entire District and not just to those communities connected to a scheme.

**Community Benefit:** Wastewater collection and treatment reduces the possibility of health problems like spread of communicable diseases resulting from open sewer or inadequate septic tank facilities the benefits of which can be attributed to the community as a whole. Inadequate wastewater disposal facilities can also detract from the aesthetic nature of the community and impact on receiving waterways.

The Community benefit can vary depending upon the amount of demand present. High users include premises with multiple pans.

**User Benefit:** Individual users in the particular wastewater scheme who want to and are able to use the service can be identified as beneficiaries of the service.

#### (b) Funding

**District Allocation:** Given the District wide benefit assessed from the service, Council resolved a Targeted Fixed Rate assessed on each rating unit including those connected to an existing wastewater scheme to be the most efficient, effective and transparent method for funding this allocation. This allocation is assessed to be 10% of the total funding requirement.

**Community Allocation:** Council resolved a uniform (harmonised) Targeted Fixed Rate (TFR) across all scheme areas in the district and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

Within a scheme area, the TFR will be differentiated by properties that are connected or have the ability to connect (serviceable). Any SUIP will be considered to have the ability to connect (serviceable) if in the opinion of Council it is practicably serviceable and its

boundary is situated within 30 metres of Council's sewerage main, to which it is able to be connected but is not so connected.

User Allocation: Council resolved user Fees and Charges to be the most efficient method for funding this allocation for Te Kuiti, where revenue is received from connection fees and Trade Waste charges.

#### 14.5.2 Te Kuiti – Non Residential

14.5.2.1 For all non-residential properties in Te Kuiti, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following Categories (differentiated by the use to which land is put):

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.
- **Ability to connect** – Those non-residential properties which are not connected but have the ability to connect

14.5.2.2 All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold. The base charge and per pan charge is calculated as follows:

Category	Base Charge	Pan Charge (per pan)
Category 1	50% of District residential connected rate (for up to 4 pans)	70% of District residential connected rate (for 5th pan and over)
Category 2	50% of District residential connected rate (for up to 4 pans)	30% of District residential connected rate (for 5 – 10 pans)
		20% of District residential connected rate (for over 10 pans)
Category 3	100% of District residential connected rate (for up to 4 pans)	70% of District residential connected rate (for 5th pan and over)
Ability to connect – base charge	50% of the District residential connected rate	

#### 14.5.3 Trade Waste Charges

14.5.3.1 The Trade Waste Bylaw regulates the discharge of Trade Waste to a wastewater system operated by Council and sets out the mechanism for implementing trade waste charges.

14.5.3.2 Larger industrial meat processing industries (namely Te Kuiti Meats Ltd and Universal Beef Packers), who discharge trade waste into Council's sewerage system, play a major role in the local community. The very nature of their presence means that they contribute to economic and social well-being. They do that by virtue of the fact that they employ a large number of local people. There are a range of positive downstream impacts for the community as a result. There is an economic benefit in that the related employment results in economic activity with people living locally and investing in the local property market, sending their children to local schools and spending their earnings within the local economy. Social benefits also accrue with families becoming integrated within the local community, joining clubs and societies and reduced crime.

- 14.5.3.3 Council will continue with the ‘exacerbator pays’ principle for the large industrial meat processing companies as users of the sewerage network in Te Kuiti through the continued implementation of the Trade Waste Bylaw as it relates to Trade Waste Charges. However, Council will recognise the public good attached to the contribution these significant industries make to the social and economic well-being of the District Wide Community. This public good component is considered to be enjoyed by all in the community. By having such a large combined demand for a labour force means that these industries attract people to our community for work and lifestyle reasons. Having these people living and working in the community provides economies of scale for infrastructure and services that are then enjoyed by all in the District. Further, these industries not only provide employment opportunities but also largely exist to add value to products produced by primary industry within the Waitomo District.
- 14.5.3.4 Council has decided that the cost of receiving and treating Trade Waste from the two major industrial meat processing industries via the Te Kuiti sewerage network will be funded 80% by way of Trade Waste Charges (Exacerbator Pays) and 20% by way of Targeted Fixed Rate (Public Good) on a per rating unit basis across every rateable property in the District.
- 14.5.3.5 The continuation of the cap on Trade Waste Charges at 80% of full cost recovery for the two meat processors only is dependent on Te Kuiti Meats Limited and Universal Beef Packers providing a demonstrable commitment to an agreed level of on-site treatment of their Trade Waste prior to releasing it to the Te Kuiti Wastewater Network.

#### 14.5.4 District

Attributable Benefit – Piopio, Te Waitere, Maniaiti/Benneydale		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	TFR – District Benefit
Community Benefit	65%	90%	TFR – Per community where service is provided (Harmonised)
User/Applicant Benefit	25%		Fees and Charges

##### (a) Distribution of Benefits

**District Benefit:** Wastewater services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there is a District-wide benefit from provision of adequate wastewater services in preventing environmental pollution and achieving public health outcomes.

**Community Benefit:** Wastewater collection and treatment reduces the possibility of health problems like spread of communicable diseases resulting from open sewer or inadequate septic tank facilities the benefits of which can be attributed to the community as a whole. Inadequate sewer disposal facilities can also detract from the aesthetic nature of the community and impact on receiving waterways.

**User Benefit:** Individual users in the particular wastewater scheme who want to and are able to use the service can be identified as beneficiaries of the service.

##### (b) Funding

**District Allocation:** Given the District wide benefit assessed from the service, Council resolved a Targeted Fixed Rate assessed on each rating unit including those connected to an existing wastewater scheme to be the most efficient, effective and transparent method

for funding this allocation. This allocation is assessed to be 10% of the total funding requirement.

Community Allocation: Council resolved a uniform (harmonised) Targeted Fixed Rate (TFR) across all scheme areas in the district and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

Within a scheme area, the TFR will be differentiated by properties that are connected or have the ability to connect (serviceable). Any SUIP will be considered to have the ability to connect (serviceable) if in the opinion of Council it is practicably serviceable and its boundary is situated within 30 metres of Council's sewerage main, to which it is able to be connected but is not so connected.

User Allocation: Council resolved user Fees and Charges to be the most efficient method for funding this allocation, where revenue is received from connection fees and Trade Waste charges.

## **15 Water Supply**

### **15.1 Description**

15.1.1 The Water Supply activity provides for the environmentally safe collection, treatment and reticulation of Council's public water supplies. Water supply is essential to run households, maintain public health and sustain economic development. Council is committed to providing a water supply service that meets the diverse needs of the Waitomo District.

### **15.2 Supply Areas**

15.2.1 Council provides water supply in the following communities:

1. Te Kuiti
2. Maniaiti/Benneydale
3. Mokau
4. Piopio

### **15.3 Period of Benefit (Intergenerational Equity)**

15.3.1 Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

### **15.4 Costs and Benefits**

15.4.1 The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

## 15.5 Activity Analysis and Funding Mechanisms

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
	Secondary contribution	Primary contribution	

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	TFR – District Benefit
Community Benefit	60%	60%	TFR – Per community where service is provided (Te Kuiti and Rural areas). Transition rate – to be fully harmonised in 2024/25.
User/Applicant Benefit	30%	30%	Targeted Metered Water Rate

### (a) Distribution of Benefits

**District Benefit:** Council has assessed that there is a District-wide benefit from provision of adequate water supply services in its communities. Council notes that the social, economic and environmental benefits of communities in the District having sustainable Water Supply services accrue to the entire District and not just to those communities connected to services and assesses this district wide benefit to be 10%.

**Community Benefit:** Water treatment and supply contributes to providing a safe and healthy lifestyle and reduces the possibility of health problems resulting from contaminated water and inadequate supply. These benefits are attributable specifically to the community as a whole.

Provision of water supply ensures the maintenance of fire-fighting capability, the benefits of which accrue to the entire community. Factors such as the sensitivity of the surrounding environment on the availability of water at source are outside of a community's control.

All residents and properties in the area serviced by a particular water supply scheme can be identified as direct beneficiaries of the service.

### (b) Funding

**District Allocation:** Council resolved that a Targeted Fixed Rate assessed on all rating units in the District including those connected to an existing Water supply scheme is the most transparent, equitable and appropriate method of funding this benefit allocation, as well as reflect the that the provision of adequate water supply services benefits the whole District as it is essential for maintaining public health and safety and protection of property from fire.

**Community Allocation:** In the previous 10YP, Council resolved that a uniform (harmonised) Targeted Fixed Rate across all supply areas in the district and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation,

Due to affordability considerations and uncertainty around future ownership of water supply assets, Council intends to pause the current transition to full harmonisation in the first three years of the plan. The activity is forecast to be fully harmonised in year 4 (2024/25). Within a water supply area, the TFR will be differentiated for properties that are connected or have the ability to connect (serviceable).

Any SUIP will be considered to have the ability to connect (serviceable) if, in the opinion of Council, it is practicably serviceable and its boundary is situated within 100 metres of a water main, to which it is able to be connected but is not so connected.

Any SUIP situated in Te Kuiti, Piopio, Maniaiti/Benneydale or Mokau that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw) will be charged a targeted fixed rate per cubic metre of water consumed over and above an annual consumption of 292m<sup>3</sup> per SUIP.

## **16 Roads and Footpaths**

### **16.1 Description**

16.1.1 The Roads and Footpaths Group of activities involve the maintenance and development of roads, kerbs and channels, bridges, street lighting, footpaths and street cleaning for all of the Waitomo District, with the exception of the State Highways, which are managed by Waka Kotahi.

16.1.2 Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

### **16.2 Activities**

16.2.1 The functions comprising this activity are:

1. Subsidised Roding
2. Unsubsidised Roding

### **16.3 Period of Benefit (Intergenerational Equity)**

16.3.1 Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

### **16.4 Costs and benefits**

16.4.1 The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of an Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

### **16.5 Activity Analysis and Funding Mechanisms**

#### **16.5.1 Subsidised Roding**

Waka Kotahi the national road funding authority, provides a subsidy for works that meet the criteria for subsidy. The Activities currently subsidised by Waka Kotahi are:

1. Sealed Pavement Maintenance
2. Unsealed Pavement Maintenance

3. Footpath Maintenance
4. Footpath Renewals
5. Routine Drainage Maintenance
6. Structures Maintenance
7. Environmental Maintenance
8. Traffic Services Maintenance
9. Level Crossing Warning Devices
10. Emergency Reinstatement
11. Network and Asset Management
12. Professional Services.

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Primary contribution	Secondary contribution	Secondary contribution	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	58%	50%	Subsidy
District Benefit	42%	49%	Targeted Rate (rate per \$100 of capital value)
		1%	Petroleum Tax Rebates and Contributions

(a) Distribution of Benefits

National Benefit: The District's roading network is part of the national and regional transport network. Efficient and sustainable development of the network within the District contributes to the economic and social well-being of the entire nation as it is used by travellers, goods transporters and others who may or may not live in the District.

Transport facilities are maintained and developed to provide safe and comfortable travel within and through the District.

District Benefit: All residents and properties within the District can be identified as direct beneficiaries of the service as provision of roads enables access and transport to people and organisations within the District.

The economic benefits of maintaining efficient transport facilities accrue to all residents of the District in one way or another.

(b) Funding

National Allocation: The National benefit portion is funded through the Waka Kotahi subsidy.

The amount of subsidy is decided by Waka Kotahi and is based on assessing costs and benefits therefore, Council resolved that the remainder of this allocation be transferred to District Allocation.

District Allocation: Council resolved that a combination of a Targeted Rate (rate per \$100 of capital value) assessed on all rating units, Petroleum Tax Rebates and contributions to works would be the most efficient and transparently lawful method of funding this allocation.

### 16.5.2 Unsubsidised Roding

These are activities carried out to ensure the safe and efficient travel within and through the District and are necessary for road or pedestrian safety and convenience but are not subsidised by Waka Kotahi and for which Council has sole financial responsibility.

These include:

1. Amenity Lights
2. Unsubsidised Miscellaneous work
3. Street Cleaning
4. Carpark maintenance (other than kerbside parking).

Level of alignment to community outcomes			
A prosperous district	A district for people	A district that cares for its environment	A district that works with you
Primary contribution	Secondary contribution	Secondary contribution	Secondary contribution

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	75%	Targeted Rate (rate per \$100 of capital value)
		25%	Fees and Charges

(c) Distribution of Benefits

District Benefit: Maintenance of transport services to provide for pedestrian safety and convenience has a District wide benefit in that all residents use or visit the urban centres.

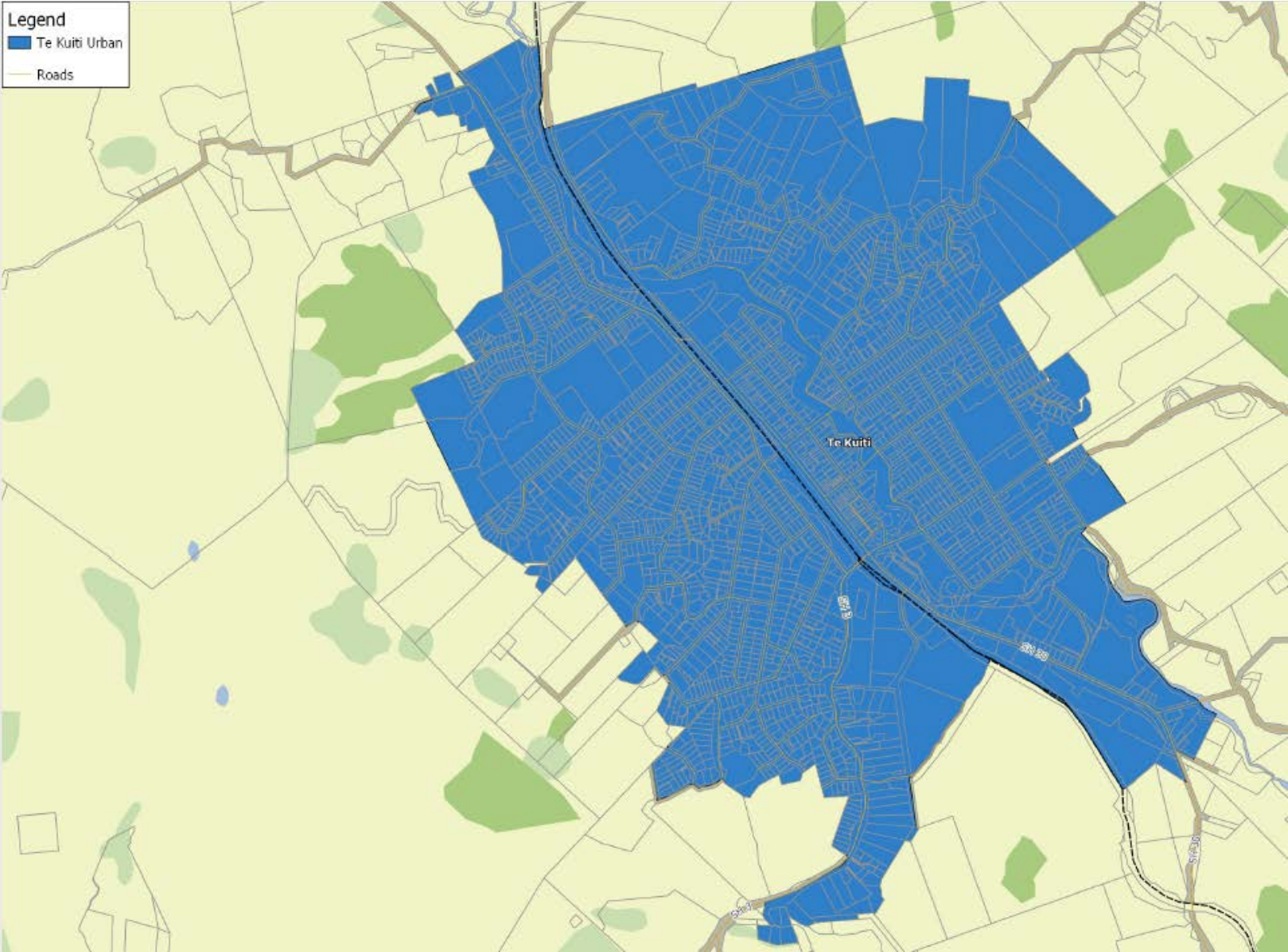
(d) Funding

District Allocation: Council resolved that a combination of a targeted rate (per \$100 of capital value) assessed on all rating units and fees and charges would be the most efficient method of funding this allocation.

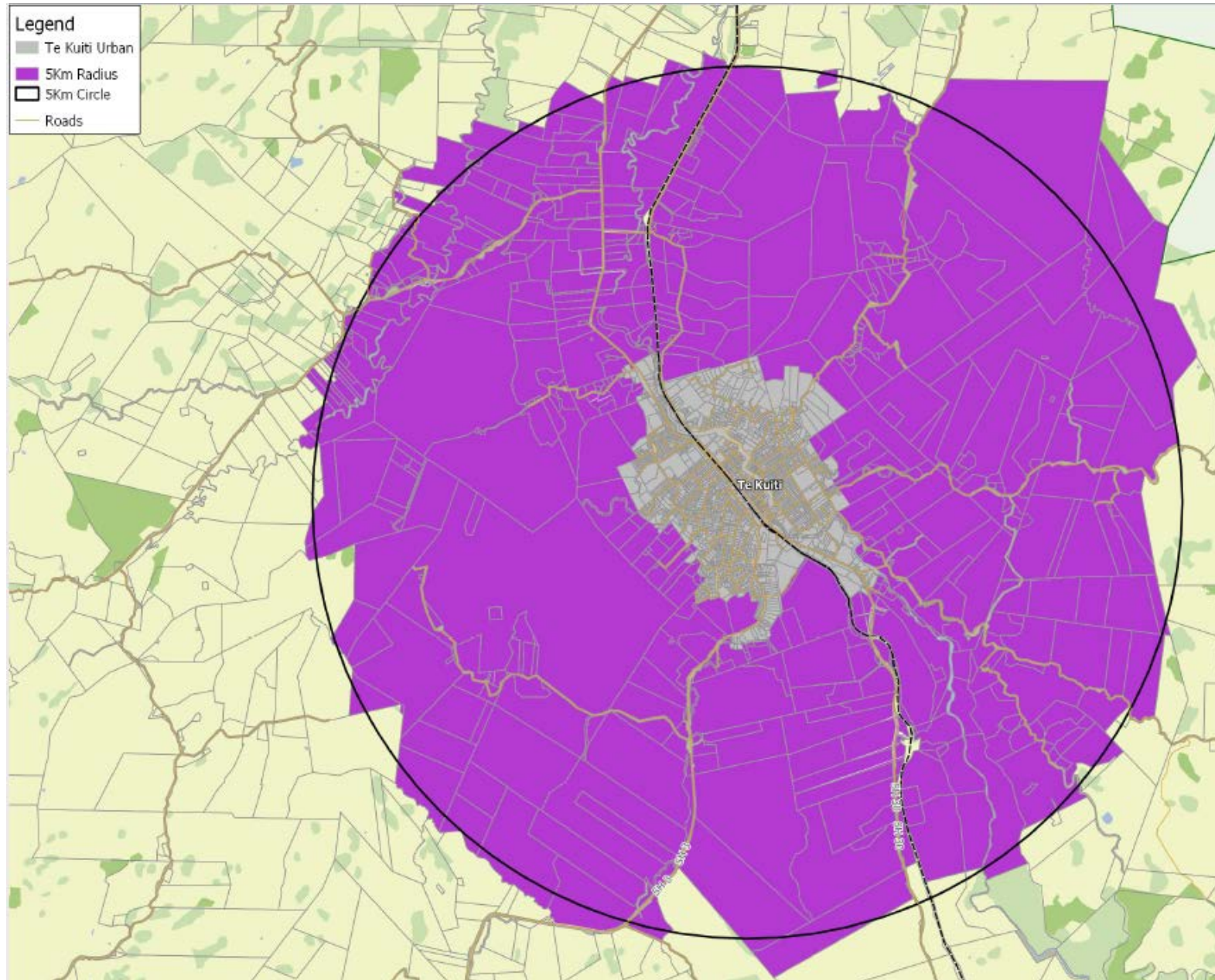
Fees and charges include receipts from road closures, overweight permits, etc. together with a long-standing contribution from Graymont NZ Ltd towards maintenance of the District's roads based on annual production.



APPENDIX ONE: TE KUITI URBAN RATING AREA



## APPENDIX TWO: TE KUITI URBAN AND PERIPHERY RATING AREA

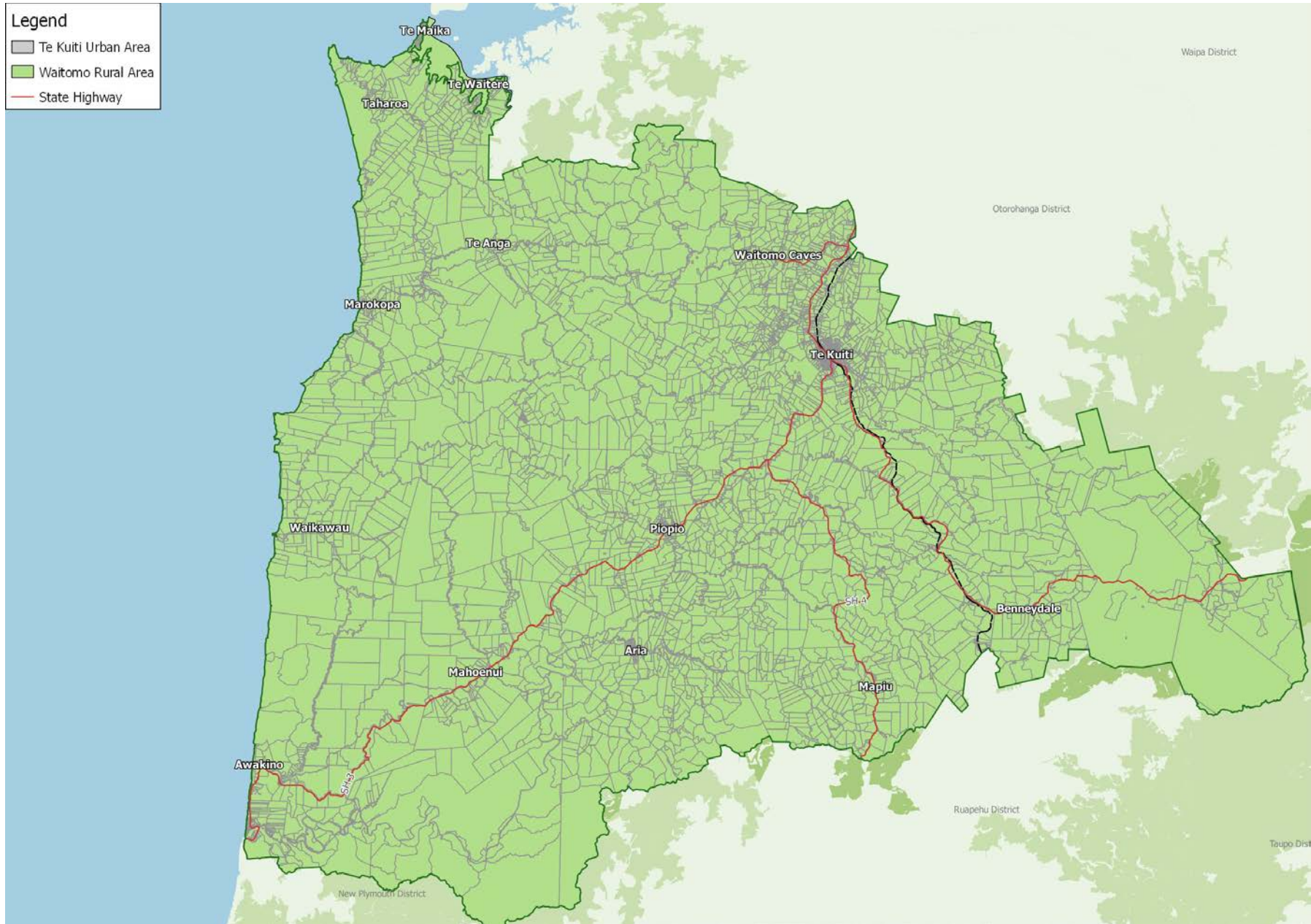




# APPENDIX THREE: RURAL RATING AREA

**Legend**

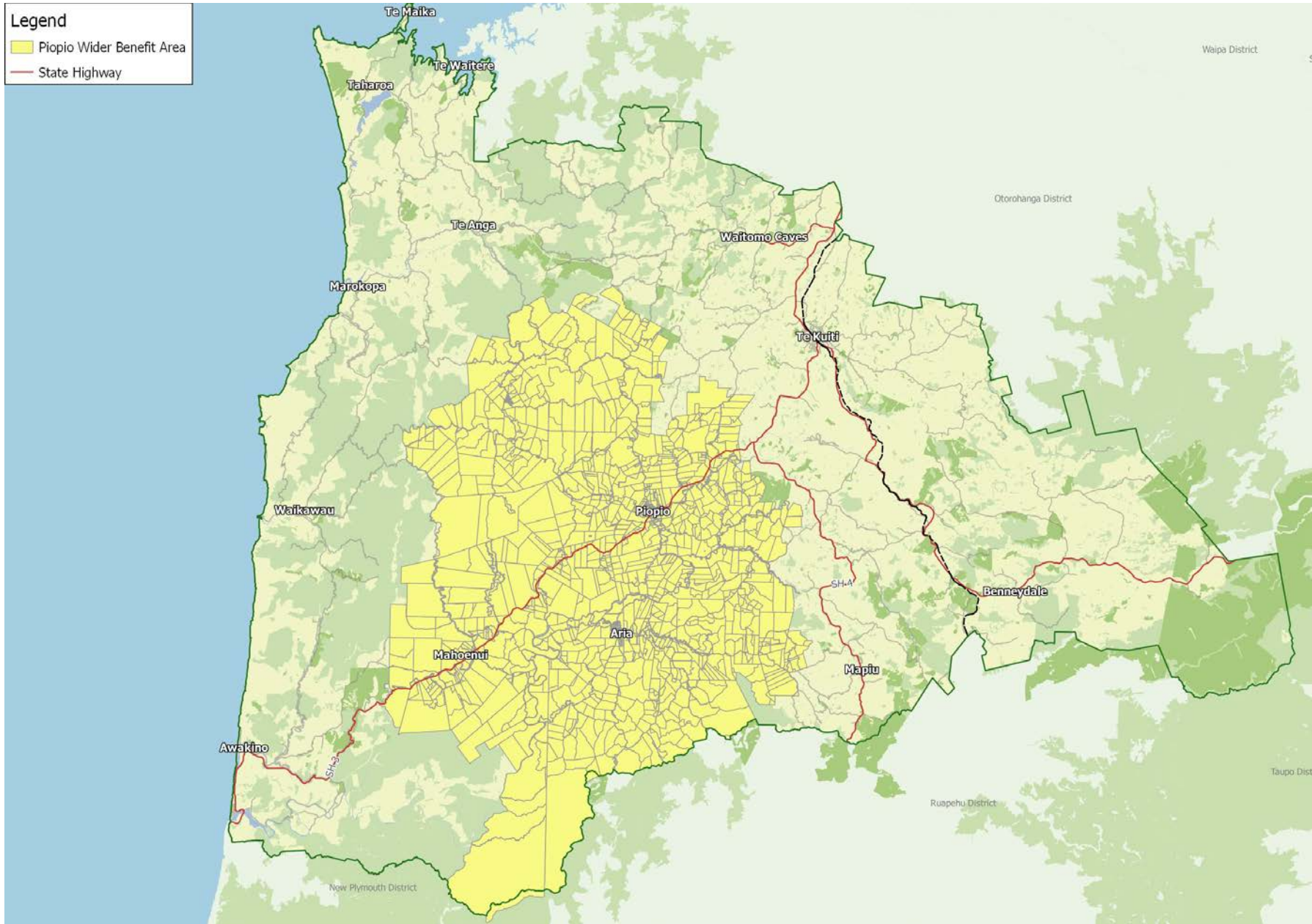
- Te Kuiti Urban Area
- Waitomo Rural Area
- State Highway



# APPENDIX FOUR: PIOPIO WIDER BENEFIT AREA

**Legend**

- Piopio Wider Benefit Area
- State Highway





## APPENDIX FIVE: MAROKOPA COMMUNITY CENTRE RATING AREA

