

# Revenue and Financing Policy

## Introduction

The Local Government Act 2002 (LGA) requires every local authority to adopt a Revenue and Financing Policy and incorporate it into the LTP.

The Revenue and Financing Policy sets out how the Council funds each activity it is involved in and why. Council provides a number of distinct activities and services to its communities. It must undertake these services in a financially prudent and sustainable way for the Council as a whole.

The Financial Strategy sets out how Council is planning to do this. It sets limits on rates increases and debt levels. This Revenue and Financing Policy keeps within those limits and sets out the broad guidelines for establishing the funding of activities.

The Revenue and Financing Policy is more than rating, it also drives the policy direction for other revenue policies including development and financial contributions, treasury (liability and investment) and remission policies. The Revenue and Financing Policy will be reviewed every three years as part of the ten year planning process.

## Requirements

Section 101 and 103 of the LGA 2002 determines that Council's Revenue and Financing policy must include the following:

- Policy in respect of the funding of operating expenses
- Policy in respect of the funding of capital expenditure
- Identify the sources of funds that will be used
- The funding needs from the identified sources must follow consideration of:
  - (i) The community outcomes to which the activity primarily contributes; and
  - (ii) The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
  - (iii) The period in or over which those benefits are expected to occur; and
  - (iv) The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
  - (v) The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
  - (vi) The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

## Developing the Policy

In developing this policy Council considered how activities should be equitably funded to share the costs of delivering services across different users as well as ensuring equity between current and future generations. In deciding how to fund each activity, the Council used a two-step process:

1. Identify the nature of the services provided, who benefits from those services and the impact of applying funding principles. Council takes into account:
  - The Council Outcomes to which an activity contributes;
  - The distribution of benefits between the community as a whole, identifiable parts of the community and individuals;
  - The period during which the benefits are expected to occur;
  - The extent to which actions, or inactions, of individuals or groups contribute to the need to undertake an activity;
  - The costs and benefits of funding the activity distinctly from other activities.
2. Consider the overall impacts of Council's initial assessments on the ratepayers, the community and users of Council's activities and the current and future wellbeing of the district.

Affordability and the public's ability to pay rates is a major concern as we strike a balance between the need to provide a level of service that meets customer and legislative requirements, and the need for funds to provide these levels of service in an affordable manner. Council seeks to maintain an affordable and predictable level of rates in the future.

Alongside the increasing levels of service are the current tough economic times and the affordability issues that many residents, particularly urban, face. Many of the infrastructure upgrade costs will be borne by the urban residents. Council is fully aware of these affordability issues and is focusing on designing infrastructure that balances function, longevity, and affordability.

Council is actively working to gain outside support and external grant funding where possible and practical. Council is conscious of rural profitability and the impact it has on the whole community. Over a period of ten years, there are likely to be ups and downs in reaction to commodity prices and the climate. In the past the Council has adapted to crises by deferring projects or reducing savings for future asset replacement. These remain options for future crises.

## Funding Challenges

Council has a number of features that create challenges to its financial wellbeing:

- A small population base with a large number of assets that increases the risk of asset ownership with the need to repair, maintain, renew and develop those assets for the changing needs of the district
- Geographically spread assets (e.g. Roads). This restricts access to users of some services and increases operational and capital costs of providing the services
- Long life assets – up to 100 years, but most are over halfway through their useful lives. Funding for their future replacement is a fundamental issue for Council to ensure continuity of service
- Council business is dominated by roading. Council is reliant on NZ Transport Agency subsidies and is particularly affected by construction prices. Increasing oil prices and/or lowering of the New Zealand dollar strongly influences Council's costs. NZ Transport Agency have completed their Financial Assistance Rate (FAR) review and we are 3 years in to their 10 year programme of changing the assistance rates. Changes in the FAR have a significant impact on Council.

## Description of Council Expenditure

Broadly speaking, the Council has two types of expenditure, operating expenditure and capital expenditure.

Operating expenditure is used to fund the on-going day-to-day activities and services of the Council.

Capital expenditure is money spent in acquiring or upgrading a business asset such as equipment or buildings. Council has three categories of capital expenditure spread across its activities:

- Renewals – defined as capital expenditure that increases the life of an existing asset with no increase in service level
- Increased level of service – defined as capital expenditure that increases the service level delivered by the asset
- Growth – defined as capital expenditure that is required to provide additional capacity to cater for future growth in demand.

## Operating Expenses

The Council's policies and practices as regards the funding of its operating expenses are set to ensure that these comply with applicable legislation and generally accepted accounting practice.

In general terms it will use a mix of revenue sources to meet operating expenses, with major sources being general rates, subsidies, and fees and charges. However, revenue from targeted rates is applied to specific activities. Reserve funds including savings from previous years are also used as a revenue source occasionally. Operating costs do not normally utilise loans or proceeds from asset sales.

Deviating from this policy is a Council decision. Occasionally Council is required under accounting rules to write down or treat a cost as an operating expense that had been expected to be funded from loans.

## Capital Expenditure

Capital expenditure is funded (in decreasing priority) from subsidies, user contributions, reserves or trust funds (where appropriate), and loans. In roading, some ongoing capital developments are funded from subsidies and rates. Capital development projects that are minor and those projects that are regular and funded on an annual basis are rate funded – for example, every year Council funds its share of minor safety road improvements from Rates.

## Savings and Reserves

Savings are placed into reserves which are funded from past surpluses, realisation of assets or by rates. Trust funds are normally bequeathed to Council in trust. Reserves and trust funds (savings) may be used to fund activities where appropriate to the purpose of the reserves or trusts (operating or capital).

## Funding Principles

The general principles used in the process are:

- The user/beneficiary pays principle

- The distribution of benefits between the community as a whole 'public benefit' = rates, any identifiable part of the community, and individuals 'private benefit' = user pays
- The intergenerational equity principle
  - The period in or over which those benefits are expected to accrue
- The exacerbator/polluter pays principle
  - The extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity, and
- The costs and benefits
  - Including consequences for transparency and accountability, of funding the activity distinctly from other activities. This considers the efficiency or ability to separate and identify costs and then collect revenue, and the impact on demand for services.

The following policy positions have been set by Council and are used with the principles above:

- Where the benefit accrues to the whole district, general rates will be used
- Where benefits accrue to certain groups within the district, differentials or targeted rates will be used
- User pays is a legitimate funding method if the benefit to individuals is greater than the benefit to the community
- User pays is also recognised as a tool to achieve Council's goals e.g. charging for metered water to encourage water conservation
- In some cases e.g. water, targeted rates are used as a surrogate for user charges as Council considers this to be a more efficient and effective method of funding than individual user charges
- Rates are primarily a tax. While effort is made to link payment of rates to benefits received or costs generated it is not possible to do this on an individual ratepayer basis
- Subsidy from central government recognises that some services, eg roading, form part of a national infrastructure and only central government can levy charges
- Uniform Annual General Charge (UAGC) recognises that most services are available to all properties regardless of value and that all properties should contribute a reasonable amount to the running of the district.

## Funding Sources

The funding sources available to Council under legislation, principally LGRA 2002 are:

### (a) **General Rates**

The general rate is set under Section 13(2)(a) Local Government (Rating) Act 2002. The General Rate is a rate in the dollar on capital/land value applied to all properties in the District. A General Rate is generally used when:

- Council considers that a capital/land 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
- Council favours use of the UAGC but is constricted by the 30% cap.

**(b) Targeted Rates**

A targeted rate is set under Sections 16 or 19 of the Local Government (Rating) Act 2002. A targeted rate is levied on properties within a defined area where users/beneficiaries can be identified. A targeted rate is used 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; and
- There is not equal benefit to all District ratepayers from that portion funded by a Uniform Annual General Charge (UAGC).

**(c) Uniform Annual General Charge (UAGC)**

The UAGC is set under Section 15 Local Government (Rating) Act 2002. A UAGC is a specified amount applied to every rating unit or separately used or inhabited part of a rating unit. A UAGC is used when:

- Council considers that all District ratepayers benefit to an equal extent from some portion of one of Council's services; and
- Council considers that applying a user charge for that portion of a service would not be practicable; and
- Valuation based rating does not provide a better proxy for equitable rating.

The Local Government (Rating) Act 2002 determines that certain rates must not exceed 30% of total rates revenue. In particular these are UAGC's set in accordance with section 15 and targeted rates that are set on a uniform basis in accordance with section 18(2) and clause 7 of schedule 3 of the Act. This cap excludes targeted rates that are set solely for water supply or sewage disposal.

**(d) Fees and Charges**

Fees and charges are applied to individual users or exacerbator groups when:

- It is assessed that level of benefit to identified beneficiary/exacerbator groups justifies the seeking of user charges; and
- There are identifiable and distinct user groups/exacerbators identified; and
- User fees represent the fairest method to seek a contribution from identified beneficiaries or exacerbators.

**(e) Interest**

Council receives limited interest from cash investments. Any interest received is used to offset the rate required in the year received.

**(f) Dividends**

Any dividends received are used to offset the general rate required in the year received.

**(g) Borrowing**

Borrowing is managed by the provisions of Council's Policy on Liability and Investment Management.

**(h) Proceeds from Asset Sales**

Funds from any asset sales are applied first to offset borrowing.

**(i) Financial and Development Contributions**

Council will use funds from financial contributions to fund capital expenditure projects in accordance with the Resource Management Act 1991. Council will not use funds from financial contributions for operating expenditure.

Council does not collect development contributions.

**(j) Grants and Subsidies**

Council receives subsidy from New Zealand Transport Agency to part-fund operations, renewal, and capital development in Land Transport. The percentage of this subsidy differs for different types of works.

Council pursues other Grant & Subsidy funding available from Central Government and other Agencies wherever it is considered appropriate.

**(k) Any Other Source**

**Beneficiaries**

The following benefit groups can be identified for the purpose of considering distribution of benefits:

|                        |  |
|------------------------|--|
| National Benefit       | Benefits the nation and is public in nature  |
| District Benefit       | Benefits the whole District and is public in nature                                |
| Regional Benefit       | Benefits the Region and is public in nature  |
| Commercial Benefit     | Benefits the commercial sector and has elements of both public and private benefit |
| Community Benefit      | Benefits a particular Ward and is public in nature                                 |
| User Benefit           | Benefits an identifiable individual, group, or community segment                   |
| Applicant              | Benefits an Identifiable individual, group or community segment                    |
| Offender / Exacerbator | The cost is the result of offenders, or ones who exacerbate a problem              |

Section 101(3) of the Local Government Act 2002 includes the consideration of "the period in or over which benefits are expected to occur". This is referred to as intergenerational equity.

## Council Activities

Councils Activities are aligned under three groups of activities as per the recently concluded realignment. Council decided to align its activities in this manner in an attempt to describe how Council is promoting community well-being.

| <b>Council Groups of Activities</b>          |                                     |                                |
|--|-------------------------------------|--------------------------------|
| <b>Community and Cultural Sustainability</b> | <b>Environmental Sustainability</b> | <b>Economic Sustainability</b> |
| Leadership                                   | Solid Waste Management              | Water Supply                   |
| Community Facilities                         | Stormwater                          | Land Transport                 |
| Community Development                        | District Planning                   | Investments                    |
| Economic Development                         | Wastewater                          |                                |
| Regulation and Safety                        |                                     |                                |

## Funding Operational Expenditure

The following table shows which mechanisms may be used to fund operational and capital expenditure for Council's activities.

|  | Funding of Operational Expenditure |                |                      |                  | Funding of Capital Expenditure |                |            |                              |
|--|------------------------------------|----------------|----------------------|------------------|--------------------------------|----------------|------------|------------------------------|
|  | General Rates                      | Targeted Rates | Grants and Subsidies | Fees and Charges | General Rates                  | Targeted Rates | Borrowings | Contributions / User Charges |
| <b>Community &amp; Cultural Sustainability</b> |                                    |                |                      |                  |                                |                |            |                              |
| Leadership                                     | ☺                                  |                |                      | ☺                | ☺                              |                | ☺          |                              |
| Community Facilities                           | ☺                                  | ☺              | ☺                    | ☺                | ☺                              |                | ☺          | ☺                            |
| Community Development                          | ☺                                  |                |                      |                  | ☺                              |                | ☺          |                              |
| Economic Development                           | ☺                                  |                | ☺                    | ☺                | ☺                              |                | ☺          | ☺                            |
| Regulation & Safety                            | ☺                                  |                |                      | ☺                | ☺                              |                | ☺          |                              |
| <b>Environmental Sustainability</b>            |                                    |                |                      |                  |                                |                |            |                              |
| Solid Waste                                    | ☺                                  | ☺              | ☺                    | ☺                | ☺                              |                | ☺          |                              |
| Stormwater                                     | ☺                                  | ☺              |                      |                  | ☺                              |                | ☺          |                              |
| District Planning                              | ☺                                  |                |                      |                  |                                |                |            |                              |
| Wastewater                                     | ☺                                  | ☺              |                      |                  |                                | ☺              | ☺          |                              |
| <b>Economic Sustainability</b>                 |                                    |                |                      |                  |                                |                |            |                              |
| Water Supply                                   | ☺                                  | ☺              |                      | ☺                |                                | ☺              | ☺          |                              |
| Land Transport                                 | ☺                                  | ☺              | ☺                    | ☺                | ☺                              | ☺              | ☺          | ☺                            |
| Investments                                    | ☺                                  |                |                      | ☺                |                                |                | ☺          |                              |

## **Community and Cultural Sustainability Group of Activities**

The Community Sustainability group of activities focuses on building and developing cohesive and functional communities in the Ōpōtiki District.

The significant activities contained within this group are:

- Leadership
- Community Facilities
- Community Development
- Economic Development and
- Regulation and Safety.

### **Leadership**

The Leadership Activity provides for:

- Council's governance at District and local level
- Conduct of elections
- Council's advocacy on issues that impact on the Ōpōtiki District's COs
- Planning and policy development that provides a framework for the Community's strategic direction
- Monitoring and Reporting.

This Activity includes the preparation of policies guiding strategic direction and strategic financial decisions for presentation to the Community for feedback.

### **Intergenerational Equity Issues**

Leadership is considered an annually funded activity.

### **Costs and Benefits**

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

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

| Description of Service                                  | Attributable Benefit |              | Allocation of Funding |              |
|---|----------------------|--------------|-----------------------|--------------|
|   | Benefit Group        | % Of Benefit | Funding Method        | % Of Funding |
| Provision of leadership and governance of the District. | National Benefit     | 2%           | No mechanism          | 0%           |
|   | Regional Benefit     | 7%           | No mechanism          | 0%           |
|   | District Benefit     | 91%          | Rates                 | 100%         |

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** There is a National Benefit associated with the leadership activity, with the Mayor representing the Ōpōtiki District and the Local Government Sector on Nation-wide committees such as Local Government New Zealand and New Zealand Access Walkway Commission. Council also often engages in issues of National importance, there is also a deemed National benefit to the development of the Long Term Plan, Annual Plan, Policy Development and Advocacy, as well as facilitating relationships with Tangata Whenua, where National outcomes and priorities can be advanced at a local level.

**Regional Benefit:** A Regional Benefit exists with the Mayor representing the Ōpōtiki District and the wider region on regional forums such as those for Emergency Management and Land Transport.

Council also facilitates the triennial election process on behalf of the Regional Council and the District Health Board. Council also often engages in issues of Regional importance, there is also a deemed Regional benefit to the development of the Long Term Plan, Annual Plan, Policy Development and Advocacy, as well as facilitating relationships with Tangata Whenua, where Regional outcomes and priorities can be advanced at a local level.

**District Benefit:** The Mayor is elected 'at large' and has a governance and leadership role for the entire District representing the wider community.

The benefit of the Council and its Committees is considered to be predominately District wide in nature. Whilst individual Councillors are elected within wards the Council has a governance and leadership role for the entire District representing the wider community. Long Term Planning, Annual Planning, Community Consultation, Communication, Policy Development, Advocacy, Tangata Whenua Relationships, and Annual Reporting benefit the wider District as a whole. Most of these processes are considered on a District Wide basis, considering the needs of the entire community. Further, every resident and ratepayer within the District have access to and can engage in Council decision making processes. The Annual Report is Council's mechanism for reporting progress to the community. The Annual Report outlines Council's performance in giving effect to the Long Term and Annual Plan. It is the community's key accountability tool.

### **FUNDING**

**National Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries for the majority of this activity's costs. Council will where it can recover costs in relation to undertaking triennial elections on behalf of Regional Council and District Health Boards.

**District Allocation:** Given the predominately District wide benefit associated with the Leadership activity either the General Rate or UAGC (or a combination of both) is the preferred the funding tool for this function.

## **Community Facilities**

The Community Facilities Activity works to ensure that individuals living in the Ōpōtiki District have access to a range of services and facilities to increase their quality of life. These services and facilities are provided through functions such as:

- Airport
- Cemeteries
- Public toilets
- Parks and reserves
- Playgrounds
- District library and
- The Cycle Way.

## **Intergenerational Equity Issues**

The majority of the functions within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## **Costs and Benefits**

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

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

| Description of Service  | Attributable Benefit |              | Allocation of Funding |              |
|---|----------------------|--------------|-----------------------|--------------|
|   | Benefit Group        | % Of Benefit | Funding Method        | % Of Funding |
| Council provides facilities for use within the community that benefit those that live here as well as those that may visit. | National Benefit     | 5%           | No mechanism          | 0%           |
|   | Regional Benefit     | 5%           | No mechanism          | 0%           |
|   | District Benefit     | 44%          | Rates                 | 75-90%       |
|   | Community Benefit    | 9%           | Targeted Rate         | 0-10%        |
|   | Commercial Benefit   | 2%           | Targeted Rate         | 0-10%        |
|   | User Benefit         | 35%          | Fees and Charges      | 5-20%        |

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** The Community Facilities activity provides a National benefit by providing and maintaining services and facilities for the benefit of all users in the country who come to or through the District. Such services covered by this activity are parks and reserves, public toilets, playgrounds, library, cycleways, and the aerodrome.

**Regional Benefit:** This activity provides a regional benefit as the services that this activity provides attracts people and users to the District and the Region. Regional residents also have easy access to these services for recreational purposes.

**District Benefit:** A large portion of this activity directly benefits the district as the services provided are readily accessible to those that live in the district, and revenue derived from the activity is utilised within the district. A lot of what we do in this activity promotes the public health and wellbeing of those that live here.

**Community Benefit:** The community benefits from aspects of this activity such as playgrounds and libraries, where there is easier access, and it provides for the health and wellbeing of the community.

**Commercial Benefit:** There is commercial benefit of providing the cycleway where commercial users can utilise this facility to organise and run events.

**User Benefit:** The users are those who predominately benefit from the provision of services and therefore there is deemed to be a high proportion of user benefit. These can be people who live in the District or those that are visiting to the District.

### **FUNDING**

**National Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**District Allocation:** The public district benefit attached to this service is significant so either the General Rate or UAGC (or a combination of both) is recommended to be the most appropriate funding tool for this allocation.

**Community Allocation:** Given the benefit associated with aspects of this activity the General Rate or UAGC, or Targeted Rate (or a combination) is recommended as the funding tool for this allocation.

**Commercial Allocation:** Given the commercial benefit associated with the cycleway a targeted rate is recommended as a funding tool for this allocation.

**User Allocation:** The user benefit of community facilities is high, however we lack means to recover from the users via fees and charges, a lot of these facilities and services are deemed “for the community good”, so therefore should be funded via a community rate. Where we can charge a fee we hope to recover between 5-20% of the cost of the activity.

## Community Development

The Community Development Activity works to ensure that individuals living in the Ōpōtiki District have access to a range of services and facilities to increase their quality of life. These services and facilities provide the following functions:

- Community Grants
- Healthy and Active Communities.

## Intergenerational Equity Issues

The majority of the functions within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## Costs and Benefits

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 Community.
- Greater opportunity for the 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.

| Description of Service  | Attributable Benefit |                | Allocation of Funding |              |
|---|----------------------|----------------|-----------------------|--------------|
|   | Benefit Group        | Funding Method | Funding Method        | % Of Funding |
| Council provides grants to the community and to promote a healthy and active community. | National Benefit     | 7.5%           | Subsidy               | 0-20%        |
|   | Regional Benefit     | 5%             | Subsidy               | 0-20%        |
|   | District Benefit     | 87.5%          | Rates                 | 80-100%      |

## **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** There is an element of national benefit in the development of communities as local communities are a subset of the larger national community and development of a part contributes to the overall development of the whole. Furthermore, many community initiatives at the local level assist in contributing to Central Government policy objectives. Healthy and active communities have flow on effects to the region and to the nation as communities are closely connected.

**Regional Benefit:** There is a regional benefit to promoting healthy and active communities within the district as this flows on to the region and contributes to regional health and wellbeing objectives.

**District Benefit:** Community initiatives are considered to have a District wide benefit as the provision of grants to organisations provides social services and contribute to the social and cultural well-being of the whole District. Healthy and active communities benefits the wider district as a whole. The goals and objectives set out in the strategy seek to advance the outcomes that are important to the entire District.

## **FUNDING**

**National Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**District Allocation:** Given the District wide benefit associated with the service either the General Rate or UAGC (or a combination of both) is recommended to be the most appropriate funding tool for this allocation.

## **Economic Development**

The Economic Development Activity works to create a sustainable economic future for the district and this is achieved by the following functions:

- Economic Development
- Tourism Promotion
- Harbour Development

## **Intergenerational Equity Issues**

The majority of the functions within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## **Costs and Benefits**

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

- (a) More transparent disclosure and accountability of projects and funding to the Community.
- (b) Greater opportunity for the Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.

- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

| Description of Service  | Attributable Benefit |              | Allocation of Funding |              |
|---|----------------------|--------------|-----------------------|--------------|
|   | Benefit Group        | % Of Benefit | Funding Method        | % Of Funding |
| Economic development to facilitate a sustainable economic future. Promote tourism and provide visitors with information about our District. Lead and develop a reliable harbour entrance to enable aquaculture. | National Benefit     | 10%          | Subsidy               | 0-80%        |
|   | Regional Benefit     | 13%          | Subsidy               | 0-80%        |
|   | District Benefit     | 47%          | Rates                 | 20-90%       |
|   | Commercial Benefit   | 20%          | Targeted Rates        | 5-15%        |
|   | User Benefit         | 10%          | Fees and Charges      | 0-60%        |

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** Undoubtedly economic development of the district will have the flow on effect of developing the regional and national economy since districts do not exist as islands and economic activities are interlinked between district, region and country.

**Regional Benefit:** This service is assessed to have a small regional benefit. Economic strategy is intended to be developed such that it benefits the wider Region as a whole. The goals and objectives seek to advance the outcomes that are important to the entire Region.

**District Benefit:** This service is assessed to have a high district benefit. Economic strategy is intended to be developed such that it benefits the wider District as a whole. The goals and objectives seek to advance the outcomes that are important to the entire District.

**Commercial Benefit:** This service is assessed to have a small commercial benefit. Economic strategy is intended to be developed such that it benefits the wider community. This will create the opportunity for commercial groups to obtain a return for investment in the economic output.

### **FUNDING**

**National Allocation:** Given the National benefit of the harbour development project it is proposed that this portion of the capital project be funded through Central Government grant. This forms part of the funding for capital expenditure, not operational. Currently there is no mechanism to gain funding for the operational expenditure of this activity.

**Regional Allocation:** Given the regional benefit of the harbour development it is proposed that this portion of the capital project be funded through Regional Council grant. Again this does not cover the operational expenditure of the activity, of which there is no mechanism currently to recover these costs. This does not mean that in the future once the harbour project funding a development has been set, that a funding mechanism for this is not developed.

**District Allocation:** Given the District wide benefit associated with this activity either the General Rate or UAGC (or a combination of both) is recommended to be the most appropriate funding tool for this allocation.

**Commercial Allocation:** Given the benefit associated with Economic Development a targeted rate is recommended as the funding tool for this allocation.

**User Allocation:** The users that benefit from this activity are therefore required to contribute towards this activity by way of fees and charges with a target recovery of 0 - 60% which we expect to derive in the latter years of the Long Term Plan once we have experienced growth in tourism and are receiving income from the harbour development.

## **Regulation and Safety**

The Regulation and Safety Activity works to regulate a number of activities in the district to facilitate growth and maintain environmental qualities valued by the community. This is achieved by the following functions:

- Environmental Health
- Noise Control
- Animal Control
- Building Control
- District Plan Implementation
- Liquor Licensing
- Safety

## **Intergenerational Equity Issues**

The majority of the functions within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## **Costs and Benefits**

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

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

| Description of Service   | Attributable Benefit        |              | Allocation of Funding |              |
|--|-----------------------------|--------------|-----------------------|--------------|
|  | Benefit Group               | % Of Benefit | Funding Method        | % Of Funding |
| Council provides environmental management services to enhance and promote the environment. | National Benefit            | 3%           | No mechanism          | 0%           |
|  | Regional Benefit            | 3%           | No mechanism          | 0%           |
|  | District Benefit            | 52%          | Rates                 | 45-65%       |
|  | Community Benefit           | 25%          | Targeted Rates        | 0-10%        |
|  | Commercial and User Benefit | 17%          | Fees and Charges      | 20-45%       |

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** Regulation and safety delivers National benefits by ensuring minimum health standards, such as premises are licensed and safe, healthy and hygienic for the public to use, and providing general advice and education. The investigation and notification of incidents of communicable diseases also provides benefit to the entire Nation. Building control provides a National benefit as there is an increased focus at the national level around sustainable building development, this activity is also governed by the standards set at a national level. Liquor licensing also has a National benefit as health and wellbeing of the community is of national importance.

**Regional Benefit:** Regulation and safety delivers Regional benefits by providing the same benefits as it does nationally.

**District Benefit:** Regulation and safety delivers District benefits by providing the same benefits as it does for the Region and Nationally, plus the benefits associated with noise control, animal control, where advice is given to the public, education, visits to schools, and the provision of public safety. Minimum building standards are set and buildings are assessed to be safe for use. Liquor licenses are complied with, holders of licenses are required to have qualifications which provides for increased public safety and wellbeing.

**Community Benefit:** Regulation and safety provides a community benefit around noise control in the urban area. Residents and ratepayers within the vicinity of the service receive the benefit of noise control as it contributes to healthy living. The community also benefits from animal control as those that live in the urban areas benefit more than those that live further afield.

**Commercial Benefit:** There is a commercial benefit to providing the regulation and safety activity in that premises are licensed and safe, healthy and hygienic for the public to use.

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

### **FUNDING**

**National and Regional Benefit:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries. Emergency management will be funded through National subsidy.

**District Allocation:** Either the General Rate or UAGC (or a combination of both) is recommended as the funding tool for this allocation.

**Community Allocation:** The most efficient and effective method for funding this allocation is a Targeted Rate.

**Commercial and User Allocation:** User fees and charges is the most efficient, effective and transparently lawful available method for funding this allocation with a targeted recovery of 20 – 45% of the cost of the activity.

## **Environmental Sustainability Group of Activities**

The Environmental Sustainability group of activities works towards those community outcomes that promote environmental well-being. This group of activities work towards mitigating and managing those impacts so that future generations can enjoy our Districts' pristine natural environment.

The significant activities contained within this group are:

- Solid Waste Management
- Stormwater
- Resource Management
- Wastewater

### **Solid Waste**

The solid Waste Activity works to provide solid waste services for public health and future development for the district. This is achieved by the following functions:

- Kerbside Collection
- Resource Recovery Centres
- Waste Minimisation
- Litter Control
- Closed landfills

### **Intergenerational Equity Issues**

The majority of the functions within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

### **Costs and Benefits**

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

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

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

| Description of Service   | Attributable Benefit |              | Allocation of Funding                |                  |
|--|----------------------|--------------|--------------------------------------|------------------|
|  | Benefit Group        | % Of Benefit | Funding Method                       | % Of Funding     |
| Council provides a kerbside collection service, resource recovery centres, a waste minimisation strategy, litter control and maintenance of closed landfills | National Benefit     | 4%           | Subsidies and Grants                 | 0-5%             |
|  | Regional Benefit     | 4%           | No mechanism                         | 0%               |
|  | District Benefit     | 68%          | Rates                                | 55-70%           |
|  | User Benefit         | 24%          | Targeted Rates, and Fees and Charges | 10-25%<br>15-30% |

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** There is a National benefit to providing the solid waste activity function in that National outcomes and priorities can be advanced at a local level.

**Regional Benefit:** There is an element of Regional Benefit to Council's solid waste function in that Regional outcomes and priorities can be advanced at a local level.

**District Benefit:** There is an element of District Benefit to Council's solid waste function in that the District receives the benefit of collection from the kerbside and disposal of solid waste preserving the environment. It also encourages practices that ensure that waste is minimised, which preserves the environment and promotes health and safety of residents.

**User Benefit:** The solid waste function benefits the user by collection and disposal of solid waste in a way that preserves the environment.

### **FUNDING**

**National Allocation:** Subsidies and grants are available at a National level to minimise the levels of waste within the community. Where Council is able we will pursue funding for this activity through subsidy. However, we expect the levels of this to be minimal.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**District Allocation:** Given the District wide benefit associated with the solid waste function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**User Allocation:** User charges by targeted Rate or Fees and Charges are considered the most appropriate mechanism for collection of this allocation. A targeted recovery through user charges of 15 – 30% of the cost of providing the activity has been set.

## Stormwater

The Stormwater Activity works to protect the health and safety of the community. This is achieved by the following functions:

- Stormwater

## Intergenerational Equity Issues

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## Costs and Benefits

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 Community.
- Greater opportunity for the 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.

| Description of Service   | Attributable Benefit |              | Allocation of Funding |              |
|--|----------------------|--------------|-----------------------|--------------|
|  | Benefit Group        | % Of Benefit | Funding Method        | % Of Funding |
| Council provides a storm water drainage system in the Ōpōtiki township and Waitohi Drifts subdivision to protect the health and safety of the community. | District Benefit     | 80%          | Rates                 | 85-95%       |
|  | Community Benefit    | 20%          | Targeted Rates        | 5-15%        |

## BENEFICIARIES AND EXACERBATORS

**District Benefit:** There is a District Benefit to Council's Stormwater function with protection of the health and safety of residents within the district.

**Community Benefit:** The Stormwater function benefits the community that lives in close proximity to the service provided, with protection of the built environment and the promotion of the health and safety of residents within the community.

## **FUNDING**

**District Allocation:** Given the District wide benefit associated with the stormwater function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**Community Allocation:** Given the Community benefit associated with the stormwater function a targeted rate, the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

## **District Planning**

The District Planning Activity works to provide for the future development of the district. This is achieved by the following functions:

- District Planning.

## **Intergenerational Equity Issues**

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## **Costs and Benefits**

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

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

| <b>Description of Service</b>  | <b>Attributable Benefit</b> |                     | <b>Allocation of Funding</b> |                     |
|--|-----------------------------|---------------------|------------------------------|---------------------|
|  | <b>Benefit Group</b>        | <b>% Of Benefit</b> | <b>Funding Method</b>        | <b>% Of Funding</b> |
| Council provides an administrative, processing, monitoring and decision-making role for resource management. | National Benefit            | 5%                  | No mechanism                 | 0%                  |
|  | Regional Benefit            | 5%                  | No mechanism                 | 0%                  |
|  | District Benefit            | 80%                 | Rates                        | 80-100%             |
|  | User Benefit                | 10%                 | Fees and Chargers            | 0-20%               |

## **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** The National benefit results from National outcomes and priorities being promoted at a national level.

**Regional Benefit:** The Regional benefit results from regional outcomes and priorities being promoted at a national level.

**District Benefit:** Ongoing development and implementation of the District Plan benefits the wider District as a whole as it sets the framework for sustainable land use practices. It is instrumental in protecting Environmental Outcomes that are important to the entire district. Also every resident has the opportunity to be involved in the development of the District Plan.

**User Benefit:** Users benefit from this activity by being able to ensure that the land use practices have consent for operation.

## **FUNDING**

**National Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**District Allocation:** Given the District wide benefit associated with the Resource Management function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**User Allocation:** User charges by Fees and Charges are considered the most appropriate mechanism for collection of this allocation. A targeted recovery through user charges of 0 – 20% of the cost of providing the activity has been set.

## **Wastewater**

The Wastewater Activity works to manage sewage disposal for public health and future development for the district. This is achieved by the following functions:

- Wastewater

## **Intergenerational Equity Issues**

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## **Costs and Benefits**

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

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

| Description of Service  | Attributable Benefit |              | Allocation of Funding          |                |
|---|----------------------|--------------|--------------------------------|----------------|
|   | Benefit Group        | % Of Benefit | Funding Method                 | % Of Funding   |
| Council provides a sewage system to receive, treat and discharge sewage in a safe, healthy and environmentally friendly manner. | District Benefit     | 20%          | Rates                          | 30-40%         |
|   | Community Benefit    | 80%          | Targeted Rates<br>User charges | 60-70%<br>0-5% |

### **BENEFICIARIES AND EXACERBATORS**

**District Benefit:** There is a District Benefit to Council's Wastewater function with protection of the health and safety of residents within the district. Having a wastewater service also encourages migration into the district and town. With plans to extend the wastewater reticulation further there is a higher district benefit.

**Community Benefit:** The Wastewater function benefits the (urban) community that is connected or able to be connected to the service, with protection of the health and safety of residents within the community.

### **FUNDING**

**District Allocation:** Given the District wide benefit associated with the Wastewater function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**Community Allocation:** Given the Community benefit associated with the Wastewater function a targeted UAC and user charges is recommended as the funding tool for this allocation. Council aims to recover between 0-5% of the funding for this activity through user charges.

## **Economic Sustainability Group of Activities**

The Economic Sustainability Group of Activities are those that provide infrastructure that enables the community to grow and prosper. The Ōpōtiki District relies on reliable infrastructure to support business and industry development.

The significant activities contained within this group are:

- Water Supply
- Land Transport
- Investments.

### **Water Supply**

The Water Activity works to provide a reliable and safe water supply for public health and future development for the district. This is achieved by the following functions:

- Water.

### Intergenerational Equity Issues

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

### Costs and Benefits

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 Community.
- Greater opportunity for the 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.

| Description of Service   | Attributable Benefit               |              | Allocation of Funding                                      |              |
|--|------------------------------------|--------------|--|--------------|
|  | Benefit Group                      | % Of Benefit | Funding Method   | % Of Funding |
| Council provides a reticulated supply to 5760 residents, and monitors water quality and future supply needs. | District Benefit                   | 10%          | Rates  | 5-20%        |
|  | Community Benefit and User Benefit | 65%          | Targeted Rates, metered water charges, and connection fees | 80-95%       |

### **BENEFICIARIES AND EXACERBATORS**

**District Benefit:** There is a District Benefit to Council’s Water function with protection of the health and safety of residents within the district.

**Community and User Benefit:** The Water function benefits the (urban) community that is connected or able to be connected to the service, with protection of the health and safety of residents within the community.

## **FUNDING**

**District Allocation:** Given the District wide benefit associated with the Water function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**Community Allocation:** Given the Community benefit associated with the Water function a targeted rate, the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**User Allocation:** We charge users directly for metered water and expect to recover between 80-90% of the cost of this activity through fees and charges and targeted rates.

## **Land Transport**

The Land Transport Activity works to provide an efficient transport network and future development for the district. This is achieved by the following functions:

- Land Transport
- Land Transport Accelerated and Enhanced.

## **Intergenerational Equity Issues**

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## **Costs and Benefits**

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

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

| Description of Service  | Attributable Benefit |              | Allocation of Funding |              |
|---|----------------------|--------------|-----------------------|--------------|
|   | Benefit Group        | % Of Benefit | Funding Method        | % Of Funding |
| Council provides ongoing management, development and arranges for maintenance of the district transport networks. | National Benefit     | 15%          | Subsidy               | 20-40%       |
|   | Regional Benefit     | 15%          | No mechanism          | 0%           |
|   | District Benefit     | 40%          | Rates                 | 60-80%       |
|   | Commercial Benefit   | 15%          | Targeted Rates        | 0-15%        |
|   | User Benefit         | 15%          | Targeted Rates        | 0-15%        |
|   |                      |              | User Charges          | 0-5%         |

### **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** There is an element of National Benefit to Council's Land Transport function in that National outcomes and priorities can be advanced at a local level and the national network contributes to national social and economic development.

**Regional Benefit:** There is an element of Regional Benefit to Council's Land Transport function in that Regional outcomes and priorities can be advanced at a local level and the regional network contributes to economic and social development.

**District Benefit:** There is significant District Benefit to Council's Land Transport function as it facilitates transport throughout the district.

**Commercial Benefit:** Land transport benefits the commercial section that is able to organise and run events for a commercial return.

**User Benefit:** The Land Transport function is considered to have a benefit to the user.

### **FUNDING**

**National Allocation:** Given the National Benefits associated with Land Transport a subsidy is provided by the government for subsidised works.

**Regional Allocation:** Given the Regional Benefits associated with Land Transport other income may be claimable from the Regional Council.

**District Allocation:** Given the District wide benefit associated with the Land Transport function either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.

**Commercial Allocation:** Given the benefit associated with environmental management a targeted rate is recommended as the funding tool for this allocation.

**User Allocation:** Where a user benefit is identifiable and able to be recovered this will be done via a targeted rate or user charges. User charges will be minimal and will target between 0 – 5% recovery of the activity.

## Investments

The Investments Activity works to provide funds to provide future development for the district. This is achieved by the following functions:

- Investments.

## Intergenerational Equity Issues

The function within this Activity are considered to be operational in nature and therefore annually funded. Certain functions require infrastructure and other assets to deliver the desired level of service and some of these have a useful life well beyond one year. These assets are usually created with the use of long term loans which spreads the construction cost over time so future users contribute to the asset creation.

## Costs and Benefits

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 Community.
- Greater opportunity for the 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.

| Description of Service   | Attributable Benefit |              | Allocation of Funding |              |
|--|----------------------|--------------|-----------------------|--------------|
|  | Benefit Group        | % Of Benefit | Funding Method        | % Of Funding |
| Council investments are low risk and in core council activities. We are concerned to protect our investment and accept a lower rate of return. | National Benefit     | 5%           | No mechanism          | 0%           |
|  | Regional Benefit     | 25%          | No mechanism          | 0%           |
|  | District Benefit     | 70%          | Rates                 | 80-100%      |
|  |                      |              | Fees and Charges      | 0-20%        |

## **BENEFICIARIES AND EXACERBATORS**

**National Benefit:** There is an element of National Benefit to Council Investments in that National outcomes and priorities can be advanced at a local level.

**Regional Benefit:** There is an element of Regional Benefit to Council Investments in that Regional outcomes and priorities can be advanced at a local level.

**District Benefit:** There is significant District Benefit to Council Investments in funds are invested for improvements in community services.

## **FUNDING**

**National Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**Regional Allocation:** There is no lawful funding mechanism available to Council to recover from this group of beneficiaries.

**District Allocation:** Given the District wide benefit associated with the Council Investments either the General Rate or UAGC (or a combination of these charges) is recommended as the funding tool for this allocation.