

## Funding Review

### Briefing Paper

#### Introduction

1. This briefing paper is to give support to the Wairoa District Council Rating Review 2020 Statement of Proposal and is to be used as a supplementary document to provide additional information following the workshop on the 9<sup>th</sup> September 2020. It is a draft working document and subject to changes.
2. This briefing paper is structured:
  - a. Introduction
  - b. Funding Needs Analysis – Overview
  - c. Appendix One – Activity Analysis – Operating Costs
  - d. Appendix Two – List of Funding Sources
3. This review will inform the Wairoa District Council Revenue and Financing (R&F) Policy. The nature of developing a R&F Policy is that it is iterative. The process needs to, where appropriate, increase focus while not closing options for reconsideration, tweaking or refining the results.
4. All references to the local government act or LGA are to the Local Government Act 2002 reprinted 7 August 2020.

#### COVID-19 and the Revenue and Financing Policy

5. The implications of the pandemic on Council and the community are still developing - assumptions we made about the future a few months ago are now very different and what tomorrow looks like is quite uncertain.
6. Everyone is aware the economic impacts will be significant. We can expect business failures, job losses and higher unemployment. The good news is the Wairoa will be less affected than other parts of the NZ, due to low tourism and high primary sector.
7. Funding Council will be harder:
  - we will likely use more debt
  - rates might be harder to collect
  - there may be less revenue from fees and charges
  - there may be more government support
8. We need policy that:
  - is flexible and able to adapt to changes quickly and lawfully.
  - reflects our uncertainty and the potential for change.
  - is updated when things change.
  - uses the Step 2 in s. 101(3)(b) clause to its fullest.
  - can be overridden using s.80 (if necessary).
9. the policy process underway in this review will build a more flexible policy package that gives Council more choice with less administration between long-term plans (LTPs).

#### Activities

10. The local government act stipulates that an LTP must group its activities into “groups of activities”. Each group of activities must list the “activities” that make up the groups.
11. The government has decided for us that we must have the following five groups of activities, beyond that, it is Council’s choice:
  - a. Water supply

## DRAFT WORKING DOCUMENT - FUNDING NEEDS ANALYSIS

- b. Sewerage and the treatment and disposal of sewage
  - c. Stormwater drainage
  - d. Flood protection and control works (not applicable to TLA)
  - e. The provision of roads and footpaths.
12. The number and names of other groups of activities are a choice for Council to make.
13. Council has considered its Groups of Activities and activities at its 28 July 2020 meeting.
14. If activities change then the Funding Needs Analysis, Revenue and Financing Policy and Development Contributions Policy would need updating.

Group Activity	Activity
Transport	Roading Airport
Water	Water
Wastewater	Wastewater
Stormwater	Stormwater
Waste Management	Waste
Community Facilities	Cemeteries Parks and Reserves Library Community Support
Planning and Regulatory	Resource Planning Environmental Health Building Control Liquor Control Bylaw Compliance Emergency Management
Leadership and Governance	Community Representation Maori Relationships Economic Development
Corporate Functions	Property Corporate Funds Management Corporate Support Services

## DRAFT WORKING DOCUMENT - FUNDING NEEDS ANALYSIS

### 15. Funding sources - preferences

16. What is Council's preferences for using each funding source listed in section 103?

Funding Source	Operating Expenses	Capital Expenses	Funding Source	Operating Expenses	Capital Expenses
<b>General rates</b>	<p>General rates are used to fund activities that support Council's outcomes which benefit the whole district or where there is no identifiable user or group of users for the activity or part of the activity.</p> <p>The general rate will be set on capital value.</p> <p>The general rate will be set differentially.</p> <p>The UAGC is used to modify the incidence of the general rate.</p>	<p>General rates are used to fund some assets and depreciation expenses (an operating cost) which is used to renew asset service levels and to repay asset debt.</p>	<b>Targeted rates</b>	<p>Targeted rates are used to allocate the cost of activities to an area or a category of rating unit that either receives a benefit, creates costs or supports an outcome that is not appropriate for inclusion in general rates.</p>	<p>Targeted rates are used to fund some assets and depreciation expenses (an operating costs) which is used to renew asset service levels and to repay asset debt.</p>
<b>Fees and charges</b>	<p>Fees and charges will be used if:</p> <ul style="list-style-type: none"> <li>a user of the service can easily be identified, and</li> <li>there is a clear private benefit of service, and</li> <li>the fee can be directly collected</li> </ul> <p>Fees and charges may be modified to support community wellbeing either when set or by discount, waiver or remission.</p>	<p>Council will use fees and charges to collect revenue on a case by case basis.</p>	<b>Lump sum contributions</b>	N/A	<p>Lump sum contributions are <b>not</b> a preferred funding tool.</p>
<b>Interest and dividends</b>	<p>Interest and dividend revenue is used to reduce general rates or any other purpose that Council considers appropriate.</p>	<p>Interest and dividends revenue is used to repay debt, to invest in new assets or investments or any other purpose that Council considers appropriate.</p>	<b>Borrowing</b>	<p>Council generally does not borrow to fund operating costs except in exceptional circumstances where there is a strategic and prudent reason to do so.</p>	<p>Council will borrow to fund capital costs where there is a strategic and prudent reason to do so.</p>
<b>Development contributions</b>	<p>Development contributions may be used to fund interest costs associated with development contribution debt.</p>	<p>Development contributions may be used to fund additional infrastructure to support growth.</p>	<b>Proceeds from asset sales</b>	<p>Council will decide where to allocate the proceeds from each sale.</p>	
<b>Financial contributions</b>	<p>Financial contributions may be used to fund improvements to service levels for some activities that are operating expenses as allowed by the Resource Management Act.</p>	<p>Financial contributions (including vested assets) will be used to fund additional infrastructure as allowed by the Resource Management Act.</p>	<b>Grants and subsidies</b>	<p>Grants and subsidies will be received where reasonable terms and conditions apply.</p>	<p>Grants and subsidies will be received where reasonable terms and conditions apply.</p>
<b>Regional fuel taxes</b>	N/A		<b>Other</b>	<p>All other income will be considered on a case by case basis</p>	

### 17. Rates and rates setting policy

18. Rates is only one of the funding sources listed in section 103.
19. **The funding needs analysis need only disclose whether an activity is funded by a general rate or a targeted rate.**
20. It is good practice to **not** go beyond this (e.g. naming the rate) as by extending beyond minimum legislative requirements there is greater risk of error or misinterpretation, which could lead to a successful challenge of the funding choices. Additionally, these additional disclosures take away from the flexibility the Council has to change targeted rates without additional consultations on Revenue and Financing Policy changes, audit costs and potentially LTP amendments.
21. The legislation provides that the detail of the specific rates is included in the Funding Impact Statement (FIS) in each LTP and Annual Plan.
22. It is however useful at the same time as considering these matters to consider the other rating matters such as:
  - a. is a general rate going to be the general rate or the UAGC? and likewise;
  - b. which targeted rate to use?
23. The funding needs analysis tables have two parts to them so that these considerations can be made at this time.
24. A new Rates Policy, will be prepared to record the rating choices and calculation methodologies. This policy is not mandated by legislation but it is considered good practice.
25. By structuring the rates this way Council has more flexibility to change rating mechanisms with less likelihood of long-term plan amendments. A change to the Revenue and Financing Policy must be consulted on and results in a long-term plan amendment and the long-term plan must include the adopted Revenue and Financing Policy.

## Funding Needs Analysis – Overview

### 26. Introduction

27. The Funding Needs Analysis provides the background and analysis to explain the funding decisions made by Council. It is guided by the funding principles documented in the Revenue and Financing Policy.
28. Council must comply with section 101(3). For each activity, Council must, in the first instance, determine the appropriate sources of funding that will meet the funding needs of each activity (Step 1). In determining this Council takes into consideration:
  - The community outcomes to which the activity primarily contributes.
  - The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
  - The period in or over which those benefits are expected to occur.
  - The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
  - The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
29. Having completed the above analysis Council must then consider (Step 2):
  - 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.  
*(This is a change since the last LTP which read "The overall impact of any allocation of liability for revenue needs on the community." There are no other changes to section 101).*

## DRAFT WORKING DOCUMENT - FUNDING NEEDS ANALYSIS

30. The legislation places no more or less weight or priority on any one of the factors listed in section 101(3)(a)<sup>1</sup> also provides Council with considerable latitude for judgement in the consideration of the section 101(3)(b) requirement.

### 31. Funding Sources for Operating Costs

32. Operating costs are the day to day spending that maintains the services delivered by Council. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and corporate overheads.

33. Section 103(2) - stipulates the funding sources that Council must consider in developing a Revenue and Financing Policy. The funding needs analysis considers all these funding sources.

34. The available funding sources for operating costs include:

- Fees and charges
- Grants and subsidies
- Other income
- Investment income
- Financial contributions
- Development contributions
- Reserve funds
- Borrowing
- Rates
  - General rates
  - Targeted rates

35. Rates are listed last (above) as it is Council's preference that rates are the last funding choice after considering all other practicable options. In the tables in Appendix One the percentage of the funding collected from rates is calculated as the remainder of the operating cost of the activity less any other source of funding budgeted.

36. Borrowing is technically a funding source for operating expenses but it is generally not prudent to plan to use borrowing in this way. In light of the covid-19 pandemic borrowing to meet some operating costs might be a consideration. It would be best to have this as a funding option but introduce as a section 101(3)(b) Step 2 adjustment (see below).

37. Council must consider the funding for each activity in a way that relates exclusively to that activity, after considering the 5 criteria of 101(3)(a) Step 1.

**Table 2: Consideration of legal requirements for operating expenses**

Section 101(3)(a) Step 1 reference	Matters Council might consider
<b>Community outcomes - s.101(3)(a)(i)</b>	<p>Council determines which of its community outcomes an activity primarily contributes to.</p> <p>Four Community Outcomes have been agreed.</p> <p>Council will consider how their funding choices will support the achievement of the community outcomes.</p>
<b>Distribution benefits - s.101(3)(a)(ii)</b>	<p>The distribution of benefits is given consideration by Council. Determining benefit is inherently subjective<sup>2</sup> and is for Council to determine.</p> <p>Where Council considers there is a clearly identified direct relationship between users and the services provided then Council may consider fees and charges or targeted rates.</p>

<sup>1</sup> In his High Court judgement on Neil Construction Ltd and others v. North Shore City Council 2007, Potter J made it clear that Council must for each activity consider each element of section 101(3).

<sup>2</sup> As concluded by Richardson P in the Court of Appeal decision on Wellington City Council v. Woolworths NZ Ltd and others (1996). "The very complexity and inherent subjectivity of any benefit allocation for these specified outputs points away from using relative benefit as a definitive criterion."

## DRAFT WORKING DOCUMENT - FUNDING NEEDS ANALYSIS

Section 101(3)(a) Step 1 reference	Matters Council might consider
	Where Council considers the services provide a benefit to the community as a whole; is of a uniform nature; or where Council is not able to identify a direct relationship between users and the service the Council will consider using general rates.
<b>Period of benefit - s.101(3)(a)(iii)</b>	<p>For most operational expenses the benefit is received in the year the expense is incurred.</p> <p>For most activities Council cash funds depreciation (an operating expense) from operating revenue sources and this is placed into reserve funds for the future renewal of assets.</p> <p>Some operational expenses (provisions) may have a benefit over multiple years and so Council may choose to fund the activity over that period.</p>
<b>Who creates the need - s.101(3)(a)(iv)</b>	<p>Some services Council must do because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>Council may choose to target these people or organisations through fines, charges or rates.</p>
<b>Separate funding - s.101(3)(a)(v)</b>	<p>Council must consider the practicalities of separate funding along with transparency and accountability.</p> <p>In some cases, while it may be desirable to charge individuals there may be no practical way of doing so.</p> <p>For all activities Council is able to easily identify what proportion of operational expenses is recovered from each funding sources. In the case of rates Council is able to inform individual ratepayers of their rates contribution to each activity.</p>

### 38. Funding bands

39. After considering the section 101(3)(a) Step 1 components, Council then considers how much of each funding sources is allocated to fund each activity.
40. This Funding Need Analysis is intended to be in place for the next three years before it is reviewed and because things change over time, it is not possible to precisely determine the percentage allocated. For this reason, Council has decided to band the percentages into the categories listed in table four.
41. The assessment in Appendix One identifies the most likely sources of funding an activity is budgeted to receive. In all cases, rates fund the balance of the activity after all other sources have been maximised. It is likely that from time to time the Council will be able to secure additional funding. It would be unwise for Council to turn down funding, but where unbudgeted this would put Council outside the funding bands.
42. Budgets will normally be set within these ranges. These ranges are expressed as a percentage of the cost of the activity and are indicative only. They may change over time because of changes in expenditure rather than changes in revenue. It is also likely that actual funding sources will be different from budgeted funding sources.

Table 4: Funding bands

Name	Percentage range
None	0%
Minimal	0% - 20%
Low	20% - 40%
Moderate	40% - 60%
High	60% - 80%
Most	80% -100%
All	100%

### 43. Overall impact funding considerations

44. After completing the Step 1 analysis for each activity the Council then determine the 101(3)(b) Step 2 consideration of the overall impact of the allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.
45. The Step 2 process gives Council wide power to modify the impact of funding choices. For example: the first step requires Council to only look at each activity and has no provision to consider how the funding choices for many activities sums as a result. For example, in the case of the UAGC there is a 30% cap, which cannot be calculated at Step 1. In the past, as Step 2 policy, Council adjusts which activities are funded by the UAGC.
46. The step 2 process will be considered after detailed rates modelling and before consultation.
47. This allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.
48. Below are the initial Step 2 considerations.
  1. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years to smooth the cost to users and ratepayers.
  2. While an unbalanced budget is neither prudent nor sustainable in the long term, Council may choose to not fund some operating costs in the short term:
    - a. In order to phase costs and set rates at affordable levels.
    - b. Where short term expenditure [projects] is expected to deliver long term savings.
    - c. As a response to adverse events, such as the Covid-19 pandemic and consequential recession.
  3. Council may waive or discount fees and charges where it is considered appropriate to do so. Some matters Council may consider in deciding whether it is appropriate to waive fees are for social reasons, for the promotion of events and facilities, for commercial reasons, to compensate for poor service or minimise risk.
  4. Council may modify the allocation of the liability for growth related network infrastructure projects when considering the matters required by section 106 in the Development Contributions Policy.
  5. Council may alter the allocation of the rates liability between sectors of the rating base by using differentials on some rates. In consideration differential allocations Council will consider their assessment of benefit, the actions and inactions of individuals or a group, rates affordability, community outcomes and the community wellbeing of current and future communities.
  6. Council may remit or postpone rates where it considers it appropriate to do so and as documented in the Rates Remissions and Postponement Policies. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. no provision of some services).
  7. Council may adjust the general rates allocation with a UAGC. This will be done as a step 2 adjustment.
  8. Council may transition revenue increases where the size of a one-off increase may be onerous.

#### 49. Analysis for operating costs by activity

50. Appendix One analyses each activity against the requirements of section 101(3)(a).
51. It lists each activity and documents Council's assessment of the components of section 101(3)(a) for that activity.
52. The assessment in Appendix One identifies the most likely sources of income an activity is budgeted to earn. In all case rates funds the balance of the activity after all other sources have been maximised. It is likely that from time to time Council will be able to secure additional funding that may be become available.
53. As the assessment of the funding sources is a complex matter of weighing up the requirements of section 101(3)(a) with the available sources and Council's preferences for using these sources. The final choice of funding sources is subjective. Therefore, Council has documented its rationale for choosing the funding source.
54. The funding source for an activity may be modified by Council when Council considers the requirements of section 101(3)(b). If this occurs it is considered as part of the overall funding considerations section of this policy.

Appendix One – Activity Analysis – Operating Costs

HOW TO READ THE APPENDIX ONE TABLES

These are the s.101(3)(a) considerations

Why we are doing it.

This is the formal bit that ends up in the final Funding Needs Analysis.

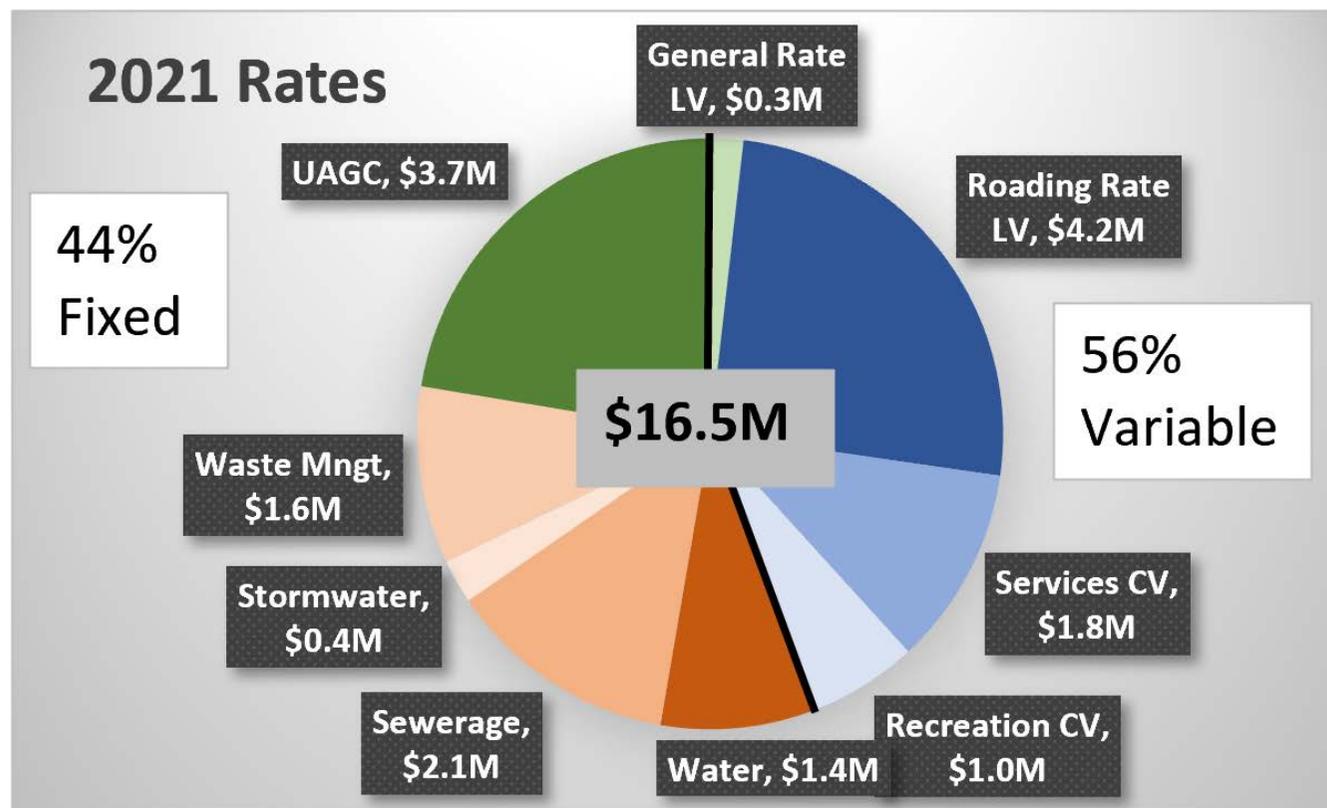
Group Activity: Wastewater							
Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Wastewater</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and Healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Access to safe water that is managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>The collection, treatment, and disposal of wastewater are primarily a private benefit for people whose properties are connected to the schemes.</p> <p>The protection of the environment is a benefit to the serviced communities.</p> <p>The entire community benefits through better health, kai moana, recreation and the environment outcomes.</p> <p>The benefits are expected to accrue primarily to individual users and businesses.</p> <p>There is a public health, environmental and recreational benefits are to whole district. This community benefit can be recognised with a general rates component in the funding.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>A small number of heavy commercial producers have an adverse impact greater than most users.</p> <p>There is considerable government intervention in the provision of safe, healthy, compliant wastewater systems.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p> <p>It also provides transparency on the cost of an essential service.</p>	<p>In most cases it is not practicable to measure the quantity of each individual's contribution to the wastewater system.</p> <p>In the case of heavy commercial users of the waste system it is practical to measure the volume and quality of waste and charge appropriately for this.</p> <p>Those who (either directly or indirectly) connected targeted rate per pan is an efficient and simple way that approximates benefit of access and use of the services.</p> <p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p><b>MOST (80% - 100%)</b> Targeted rate (89%)</p> <p><b>MINIMAL (0% -20%)</b> Fees and charges (7%) Interest and Dividends (4%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <hr/> <p><b>PROPOSED CHANGE</b></p> <p><b>MOST (80% - 100%)</b> Targeted rate (79%) ↓</p> <p><b>MINIMAL (0% -20%)</b> General Rate (10%) ↑</p> <p>Fees and charges (7%) Interest and Dividends (4%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

The current budget.

Putting 10% into the general rate

### Overview of potential changes:

- 55. Subject to the workshop on 13 and 14 October the changes identified below reflect:
  - a. Removing the Roothing, Services and Recreation Targeted Rates
  - b. Replacing then with a General Rate (which would be a mix of the UAGC and The General rate)



## Activities

Group Activity: Transport						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> <li>• Strong and prosperous economy</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> </ul> <p>Our communities and business are connected to each other and to our markets by a safe efficient and integrated transport network.</p>	<p><b>Roading:</b> The roading network serves the whole district and everyone benefits.</p> <p>Roads are necessary to deliver export products to markets within, New Zealand and the world. The district's economic prosperity is dependent on production from its rural catchment.</p> <p>Roads provide corridors for other utility providers such as power, communications, water and wastewater.</p> <p>Roads, street lighting, signage, and footpaths and parking are provided as a public good. Individuals and business benefit directly from access to property and facilities.</p> <p><b>Airport:</b> The provides quick access in and out of the region supporting business and emergency management.</p> <p>The availability of the airport serves the whole district and everyone benefits.</p> <p>Individual uses receive a private benefit.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>There is an impact of the actions or inactions of others.</p> <p>Costs are driven by traffic volumes and size. Large vehicles, wear roads out more quickly than vehicles.</p> <p>The forestry industry places significant demand on the roading network for which Council incurs additional costs. The growth of the forestry industry is leading to greater roading damage.</p> <p>Airport users expect a consistent service level.</p>	<p>The whole community benefits from the roading network and airport, as such there is little advantage in having separate funding.</p> <p>The use of differential rating tools can easily adjust for sectors to make a varying contribution.</p> <p>There are few reasonably practicable options for charges in users directly for their use of or damage to the roads.</p> <p>Charging airport users for rents and landing fees is common and efficient.</p>	<p>Subsidies are primarily sourced from New Zealand Transport Agency (NZTA). Additional funding will be sourced whenever available (e.g. Provincial Growth Fund)</p> <p>Council also receives a small amount of regional petrol tax.</p> <p>Council maximises the amount of subsidy for the level of spending it approves.</p> <p>The whole district benefits from the roading network.</p> <p>The general rate allows for the differential allocation of benefit to sectors and adjustment of contribution for those whose actions cause additional costs and for advancing community outcomes.</p>	<p><b><u>ROADIING</u></b></p> <p><b>HIGH (60% - 80%)</b> Grants and Subsidies (71%)</p> <p><b>LOW (20% - 40%)</b> Targeted rates (29%)</p> <p><b>UNLIKELY (0%)</b> All other funding sources</p> <p><b>PROPOSED CHANGE</b></p> <p><b>HIGH (60% - 80%)</b> Grants and Subsidies (71%)</p> <p><b>LOW (20% - 40%)</b> General Rate (29%)</p> <p><b>UNLIKELY (0%)</b> All other funding sources</p> <p><b><u>AIRPORT</u></b></p> <p><b>HIGH (60% - 80%)</b> General rates (71%)</p> <p><b>MINIMAL (0% - 20%)</b> Fees and Charges (13%) Other (16%)</p> <p><b>UNLIKELY (0%)</b> All other funding sources</p> <p><b>NO CHANGE</b></p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Group Activity: Water							
Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
Water	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and Healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Access to safe water that is managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>The communities that are reticulated with a public water supply are the beneficiaries. With extended dry seasons there is greater demand on councils network for tanker water to be supplied to non-reticulated properties.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>Those who (either directly or indirectly) benefit should pay.</p>	<p><b>MOST (80% - 100%)</b> Targeted rate (89%)</p>
		<p>The entire community benefits through better health, kai moana, recreation and the environment outcomes and having protection in the case of fire.</p>	<p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>There is considerable government intervention in the provision of safe, healthy, compliant drinking water.</p>	<p>It also provides transparency on the cost of an essential service.</p>	<p>There are some water users where charging based on actual quantities is practical due to the location, size or the use of the property. Their share of costs is recovered by way of targeted water meter rates.</p>	<p>The cost of the water supply and network is equalised across all non-metered connections within the district.</p>
		<p>This community benefit can be recognised with a general rates component in the funding.</p>				<p>The cost of the water supply and network is equalised across all non-metered connections within the district.</p>	<p><b>PROPOSED CHANGE</b></p> <p><b>MOST (80% - 100%)</b> Targeted rate (84%)</p>
		<p>All property owners/residents/tourists benefit from receiving water and protection from any fire risk.</p>				<p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p><b>MINIMAL (0% -20%)</b> General Rate (10%) Interest and Dividends (6%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Group Activity: Wastewater							
Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Wastewater</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and Healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Access to safe water that is managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>The collection, treatment, and disposal of wastewater are primarily a private benefit for people whose properties are connected to the schemes. Rural septic tank septage is transported to council wastewater treatment ponds.</p> <p>The protection of the environment is a benefit to the serviced communities.</p> <p>The entire community benefits through better health, kai moana, recreation and the environment outcomes.</p> <p>The benefits are expected to accrue primarily to individual users and businesses.</p> <p>There is a public health, environmental and recreational benefits are to whole district. This community benefit can be recognised with a general rates component in the funding.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>A small number of heavy commercial producers have an adverse impact greater than most users.</p> <p>There is considerable government intervention in the provision of safe, healthy, compliant wastewater systems.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p> <p>It also provides transparency on the cost of an essential service.</p>	<p>In most cases it is not practicable to measure the quantity of each individual's contribution to the wastewater system.</p> <p>In the case of heavy commercial users of the waste system it is practical to measure the volume and quality of waste and charge appropriately for this.</p> <p>Those who (either directly or indirectly) connected targeted rate per pan is an efficient and simple way that approximates benefit of access and use of the services.</p> <p>Septage tankers are not paying the full cost of treatment recognising the wider community health benefits.</p> <p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p><b>MOST (80% - 100%)</b> Targeted rate (89%)</p> <p><b>MINIMAL (0% -20%)</b> Fees and charges (7%) Interest and Dividends (4%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED CHANGE</b></p> <p><b>MOST (80% - 100%)</b> Targeted rate (79%)</p> <p><b>MINIMAL (0% -20%)</b> General Rate (10%) Fees and charges (7%) Interest and Dividends (4%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Group Activity: Stormwater							
Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Stormwater</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and Healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>With forecast increase in heavy rain events collecting and managing stormwater protects houses, businesses and infrastructure. It must be managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>The collection, treatment and disposal of stormwater are primarily a community benefit in serviced communities.</p> <p>This benefit extends to the wider community as it includes protection of the environment and an accessible roading network.</p> <p>Some individual properties or groups of properties benefit from not being flooded.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• To individual properties</li> <li>• The whole community</li> </ul>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of individuals in increasing hard surfaces on properties increases stormwater volumes.</p> <p>There is considerable government intervention in the provision of safe, healthy, compliant wastewater systems.</p> <p>The Freshwater NPS will put more pressure on treating stormwater.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p> <p>Charging for private benefit is difficult.</p>	<p>There is no practical way to charge individuals or groups for any direct benefit.</p> <p>Urban stormwater networks are funded from a mix of general and targeted rates reflecting the benefit to property owners in an urban area and the wider community benefit of stormwater managed on the road corridor.</p> <p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p><b>MOST (80% - 100%)</b> Targeted rate (83%)</p> <p><b>MINIMAL (0% -20%)</b> Interest and Dividends (17%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED CHANGE</b></p> <p><b>MOST (80% - 100%)</b> Targeted rate (73%)</p> <p><b>MINIMAL (0% -20%)</b> General Rate (10%) Interest and Dividends (17%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Group Activity: Waste Management							
Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Waste</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and Healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Managing waste assists houses and businesses. It must be managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>Individuals benefit directly from kerbside recycling and domestic refuse collection.</p> <p>The whole community benefits from waste minimisation and education as well as litter collection.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• Primarily to individual users</li> <li>• Partly to the district as a whole</li> </ul>	<p>The benefit of most operating costs is expected to occur in the year the funding is sourced.</p>	<p>This activity is only required due to the act of creating waste.</p> <p>Those who create the waste are individuals and business.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>The actions of individuals or groups (largely business) create the need to have this activity.</p> <p>Targeted rates appropriately recognise this benefit.</p> <p>The whole community benefits from litter collection of public places can be appropriately funded from general rates.</p> <p>The fees and charges at landfills and transfer stations (where Council provides the services), only partially funds the cost of disposal.</p> <p>Higher fees and charges encourage those who create the waste recognise the cost of their actions and encourage waste reduction.</p> <p>There is also a small benefit to the whole community of this activity with waste not dumped elsewhere</p>	<p><b>HIGH (60% - 80%)</b> Targeted rate (66%)</p> <p><b>LOW (20% -40%)</b> Fees and Charges (32%)</p> <p><b>MINIMAL (0% -20%)</b> Other (2%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED CHANGE</b></p> <p><b>MODERATE (40% - 60%)</b> Targeted rate (56%)</p> <p><b>LOW (20% -40%)</b> Fees and Charges (32%)</p> <p><b>MINIMAL (0% -20%)</b> General Rate (10%) Other (2%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Group Activity: Leadership and Governance							
Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Community Representation</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and Healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Local people making local decisions requires balancing the conflict needs of individuals for the overall benefit of the whole community</p>	<p>The activity supports the decision-making function of Council and therefore benefits the community as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p>	<p>Council considers that there is little benefit of separately funding this activity.</p>	<p>The benefits of this activity are available to the whole community; the majority of electors are ratepayers.</p>	<p><b>All (100%)</b> General rates</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>NO CHANGE</b></p>
<b>Māori Relations</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Valued and cherished culture</li> <li>• Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Strong and prosperous economy</li> <li>• Protected and Healthy environment</li> </ul> <p>Māori are 66% of the community, having strong relations with Māori † is essential to community wellbeing.</p>	<p>The activity supports the decision-making function of Council and therefore benefits the community as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p>	<p>Council considers that there is little benefit of separately funding this activity.</p>	<p>The benefits of this activity are available to the whole community.</p>	<p><b>All (100%)</b> General rates</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>NO CHANGE</b></p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Economic Development</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Strong and prosperous economy</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Protected and Healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Jobs are essential to population growth and the wellbeing of all in the community.</p>	<p>The activity supports the district promotion, visitor information including the i-site.</p> <p>Increased economic activity creates jobs and supports everyone and therefore benefits the community as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p>	<p>Council considers that there is little benefit of separately funding this activity.</p>	<p>The benefits of this activity are available to the whole community.</p>	<p><b>HIGH (60%-80%)</b> Targeted rates (61%)</p> <p><b>LOW (20%-40%)</b> General rate (26%)</p> <p><b>MINIMAL (0%-20%)</b> Grants and Subsidies (12%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED CHANGE</b></p> <p><b>MOST (80%-100%)</b> General rate (88%)</p> <p><b>MINIMAL (0%-20%)</b> Grants and Subsidies (12%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Group Activity: Planning and Regulatory							
Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Resource Planning</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>Protected and Healthy environment</li> <li>Strong and prosperous economy</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Safe, supported and well-led community</li> <li>Valued and cherished culture</li> </ul> <p>District planning and consenting is essential to protecting environmental and cultural outcomes supporting a prosperous economy.</p>	<p>Individuals that apply for consents and use the other services in this area are the predominant beneficiaries of this activity. Through their actions they directly drive the majority of the costs.</p> <p>These resource consent activities also provide benefit to persons other than the applicant such as future owners and occupiers of the land (a property-based benefit). There is also a person-based benefit in relation to the information that is supplied to the public through inquiries, for example providing support to potential applications or responding to service requests.</p> <p>Future residents benefit from the protection of our environment and our response to climate change.</p> <p>Resource Consent Compliance Monitoring and RMA Enforcement benefits the consent holder and the community.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users.</li> <li>Partly to the district as a whole in support of the community outcomes.</li> </ul>	<p>The principle benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>There is a secondary benefit to future sustainability.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>A user charge recognises the benefits to people who apply for resource consents.</p> <p>Although the primary benefit of a resource consent sits with the consent holder the community outcomes desires that we have a strong prosperous economy and so, Council wants to encourage a high level of consent compliance.</p> <p>For these reasons Council considers it appropriate to fund a portion of the costs of consents from ratepayers rather than consent applicants.</p> <p>As future ratepayers benefit from the development of a district plan, the funding for this is spread over future years with borrowing.</p>	<p><b>MODERATE (40%-60%)</b> Borrowing (44%)</p> <p><b>LOW (20%-40%)</b> Targeted rate (35%)</p> <p><b>MINIMAL (0%-20%)</b> General rate (14%) Fees and Charges (7%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED</b></p> <p><b>MODERATE (40%-60%)</b> Borrowing (44%) General rate (46%)</p> <p><b>MINIMAL (0%-20%)</b> Fees and Charges (7%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Building Control</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Strong and prosperous economy</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Protected and Healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Safe homes and buildings improve the wellbeing of all in the community.</p>	<p>Individuals that apply for consents, licenses and use other services in this area directly drive the majority of the costs.</p> <p>Services within this activity also provide for the safety of the public, and requirements earthquake prone buildings.</p> <p>Information is supplied to the public through inquiries, for example providing support to potential applications or responding to service requests.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• Primarily to individual users.</li> <li>• Partly to the district as a whole.</li> </ul>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>There is a secondary benefit to future housing stock that is fit for purpose.</p>	The actions of individuals and groups drive the costs in this activity.	The distinct beneficiaries for each component support multiple funding streams.	<p>Fees and charges are favoured for the full cost of LIMs and PIMS.</p> <p>Although the primary benefit of a building consent sits with the consent holder the Council wants to encourage growth and improvement of existing housing and businesses. For these reasons Council considers it appropriate to fund a portion of the costs of consents from ratepayers rather than consent applicants.</p>	<p><b>HIGH (60%-80%)</b> Targeted rates (44%)</p> <p><b>LOW (20%-40%)</b> Fees and charges (39%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED</b></p> <p><b>MODERATE (40%-60%)</b> General rate (44%)</p> <p><b>MINIMAL (0%-20%)</b> Fees and Charges (39%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Bylaw Compliance</b>	<p>This activity primarily contributes to Council’s outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> </ul> <p>and is associated with Council’s outcomes:</p> <ul style="list-style-type: none"> <li>• Strong and prosperous economy</li> <li>• Protected and Healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>The community must feel a safe place to live. This part of a people’s rationale when choosing where to live . Growing communities then support a growing a strong and prosperous economy.</p>	<p><b>Dog and livestock control</b> minimise danger, distress and nuisance caused by stray dogs and to ensure the control of stock on the roads of the district in the interests of public safety.</p> <p><b>General Bylaw Enforcement:</b></p> <ul style="list-style-type: none"> <li>• Supports public health and safety and the enjoyment of public spaces</li> <li>• Enforces the rules for users of roads, water, wastewater and cemeteries and for the impacts of urban fires</li> </ul> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• Partly to individual users.</li> <li>• Partly to the district as a whole.</li> </ul>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p> <p>Particularly:</p> <ul style="list-style-type: none"> <li>• owners of dogs who create the requirement to manage all dogs.</li> <li>• Owners of non-controlled dogs and livestock</li> <li>• Those who breach bylaws</li> </ul>	<p>Identifying separate funding assists in the accountability and transparency of Council’s costs on this activity.</p>	<p>Fees and charges for Dog Control are largely collected in registration the owners of dogs in recognition that it is their action of owning a dog or then inaction of controlling a dog or stock that drives costs.</p> <p>Fees and charges (including fines and other enforcement charges) are required for no compliance of all bylaws.</p> <p>General rates recognise that a portion of these services benefit the whole community.</p>	<p><b>MODERATE (40%-60%)</b> Targeted rate (57%) Fees and Charges (43%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED CHANGE</b></p> <p><b>MODERATE (40%-60%)</b> General rate (57%) Fees and Charges (43%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>
<b>Liquor Control</b>	<p>This activity primarily contributes to Council’s outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> </ul> <p>and is associated with Council’s outcomes:</p> <ul style="list-style-type: none"> <li>• Protected and Healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Liquor has positive and negative impacts on the community.</p>	<p>Liquor can only be sold with a license and the benefit of that license sits largely with the licensee</p> <p>The community benefits from appropriate liquor control by limiting the negative effects from alcohol harm while maximising positive benefits in social environments</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p> <p>Particularly:</p> <ul style="list-style-type: none"> <li>• Applicants for liquor and associated licences</li> </ul> <p>Those who breach the rules.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council’s costs on this activity.</p> <p>There is no mechanism for Council to charge those who create negative social outcomes.</p>	<p>Fees and charges for liquor licensing are set by Government and only recover part of the cost of the activity.</p> <p>Managing good social behaviours and eliminating adverse events is in the interest of the community as whole.</p>	<p><b>MODERATE (40%-60%)</b> Targeted rate (60%) Fees and Charges (40%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED CHANGE</b></p> <p><b>MODERATE (40%-60%)</b> General rate (60%) Fees and Charges (40%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Environmental Health</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and Healthy environment</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Valued and cherished culture</li> </ul> <p>The community must feel a safe place to live. This part of a people's rationale when choosing where to live . Growing communities then support a growing a strong and prosperous economy.</p>	<p>This activity promotes and improves human health, safety, comfort and wellbeing for all persons in the district and protects the environment from preventable harm.</p> <p>This activity comprises noise control, food and registered premises, water supply monitoring, public nuisances and implementation of public health frameworks.</p> <p>The main beneficiaries are business owners, consent holders, and the community as a whole.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p> <p>Some activities are undertaken to protect others from the actions of others.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Fees and charges are preferred where the actions of individuals or groups of individuals create negative effects on the community and where there is a direct benefit to the user of the service.</p> <p>Council prefers a general rate for that portion of the budget that cannot be recovered from fees and charges due to these services contributing to the vibrancy of the district by making it safer.</p>	<p><b>HIGH (60%-80%)</b> Targeted rate (76%)</p> <p><b>MINIMAL (0%-20%)</b> General Rate (14%) Fees and Charges (9%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED CHANGE</b></p> <p><b>MOST (80%-100%)</b> General rate (90%)</p> <p><b>MINIMAL (0%-20%)</b> Fees and Charges (9%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Group Activity: Community Facilities:							
Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Cemeteries</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>Protected and Healthy environment</li> <li>Valued and cherished culture</li> <li>Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Strong and prosperous economy</li> </ul> <p>Different cultures and circumstances contribute to different approaches to death. These are important social and cultural considerations in determining funding choices.</p>	<p><b>Cemeteries:</b> Individual users, particularly families of the deceased.</p> <p>The community as a whole in the availability of well-maintained open space and as a repository of genealogical and other human interest or heritage information.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Users of the services pay for their use of the facilities.</p> <p>There is no practicable way to charge for on-going maintenance that is therefore best funded from the general rate</p>	<p><b>MOST (80%-100%)</b> Targeted rate (82%)</p> <p><b>MINIMAL (0%-20%)</b> Fees and Charges (16%) Subsidies and Grants (2%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED CHANGE</b></p> <p><b>MOST (80%-100%)</b> General rate (82%)</p> <p><b>MINIMAL (0%-20%)</b> Fees and Charges (9%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>
<b>Parks and Reserves</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>Protected and Healthy environment</li> <li>Valued and cherished culture</li> <li>Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Strong and prosperous economy</li> </ul> <p>Access to parks and reserves provide benefits of being active as well as creating environments for enjoyment.</p>	<p><b>Parks and Reserves:</b></p> <p>There is a public/whole of community benefit through the provision of formal and informal recreational opportunities that enhance and support community health and well-being.</p> <p>There is a private/individual benefit to the community and sporting groups who use Council recreational facilities.</p> <p>There is a small benefit for event organisers and sections of the business community from the commercial spend of participants associated with particular events.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>There is no practical way to collect revenues from some individual benefit across this activity.</p> <p>Local residents enjoy the benefits of landscape amenity in their locality.</p>	<p><b>MOST (80%-100%)</b> Targeted rate (97%)</p> <p><b>MINIMAL (0%-20%)</b> Other (3%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED CHANGE</b></p> <p><b>MOST (80%-100%)</b> General rate (97%)</p> <p><b>MINIMAL (0%-20%)</b> Other (3%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Library</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>Valued and cherished culture</li> <li>Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Protected and Healthy environment</li> <li>Strong and prosperous economy</li> </ul> <p>A well read, informed and educated community will support the growth of the district.</p>	<p>The whole community benefits (urban and rural) from the activity through access to materials and services which the Library provides.</p> <p>The main beneficiaries of the Library are individuals through the provision of recreation and educational resources.</p> <p>Non-residents also benefit through access to the Library services.</p> <p>The central business district benefits indirectly from having increased traffic in the town centre.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p> <p>Books not returned limit the benefit other users would get from access to those books.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>While there is individual benefit the LGA prohibits charging a membership fee. Some individual charges can be made but where these are excessive use of the facility drops.</p> <p>Access to recreational and educational material through free internet access or other media provide long-term cultural and social benefits leading to greater prosperity.</p>	<p><b>MOST (80%-100%)</b> General rate (98%)</p> <p><b>MINIMAL (0%-20%)</b> Fees and Charges (2%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>NO CHANGE</b></p>
<b>Community Support</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>Valued and cherished culture</li> <li>Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Protected and Healthy environment</li> <li>Strong and prosperous economy</li> </ul> <p>Community support and development builds communities through empowering them to evolve develop and grow.</p>	<p>The whole community benefits from the support of events, encouragement of participation and community facilities.</p> <p>These benefits are widespread across the district</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>The whole district benefits from the growth of community social and cultural wellbeing.</p> <p>External bodies will support the district to undertake this activity.</p>	<p><b>MODERATE (40%-60%)</b> Targeted rate (47%) General rate (47%)</p> <p><b>MINIMAL (0%-20%)</b> Grants and Subsidies (6%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED CHANGE</b></p> <p><b>MOST (80%-100%)</b> General rate (94%)</p> <p><b>MINIMAL (0%-20%)</b> Grants and Subsidies (3%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Group Activity: Corporate Functions							
Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Property</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Valued and cherished culture</li> <li>• Protected and Healthy environment</li> <li>• Strong and prosperous economy</li> </ul> <p>Community support and development builds communities through empowering them to evolve develop and grow.</p>	<p>The activity supports the Council operations by providing and maintaining operational properties.</p> <p>External income is derived from rents and leases for private benefit.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>The benefits are available to individuals and groups is collected from rents and leases.</p> <p>The remainder of the benefit is to the whole community.</p>	<p><b>MODERATE (40%-60%)</b> General rate (40%) Fees and Charges (46%)</p> <p><b>MINIMAL (0%-20%)</b> Targeted rate (8%) Grants and Subsidies (6%) Other (6%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>PROPOSED CHANGE</b></p> <p><b>MODERATE (40%-60%)</b> General rate (48%) Fees and Charges (46%)</p> <p><b>MINIMAL (0%-20%)</b> Grants and Subsidies (6%) Other (6%)</p> <p><b>UNLIKELY</b> All other funding sources.</p>
<b>Corporate Funds Management</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Valued and cherished culture</li> <li>• Protected and Healthy environment</li> <li>• Strong and prosperous economy</li> </ul> <p>Community support and development builds communities through empowering them to evolve develop and grow.</p>	<p>The activity supports the Council operations by effectively managing all investments</p> <p>The whole community benefits from this.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>The benefit is to the whole community.</p>	<p><b>MOST (80%-100%)</b> Interest and Dividends(47%)</p> <p><b>MINIMAL (0%-20%)</b> Regional Fuel Tax (19%) Fees and Charges (5%)</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>NO CHANGE</b></p>

APPENDIX ONE: ACTIVITY ANALYSIS – OPERATING COSTS

Group Activity: Corporate Functions							
Activity	Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Source
<b>Corporate Support Services</b>	<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Valued and cherished culture</li> <li>• Protected and Healthy environment</li> <li>• Strong and prosperous economy</li> </ul> <p>Community support and development builds communities through empowering them to evolve develop and grow.</p>	The whole community benefits from this.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of individuals or groups have a minor impact on this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	The cost of this activity is allocated to all other activities	<p><b>ALL (100%)</b> Internal Fees and Charges</p> <p><b>NO CHANGE</b></p>