

2015-  
2025

LONG TERM PLAN



# Revenue and Financing Policy

Detailed Activity Funding Analysis

## 2015-2025 Ten Year Planning **Revenue & Financing Policy**

---

*Supporting Document: Activity Analysis (101(3)(a))*

March 2015



# Contents

Introduction.....3

Overview of Changes Proposed .....5

Representation Activity Group .....6

Planning & Regulation Activity Group .....16

Protection of People & the Environment Activity Group .....31

Economic Development Activity Group.....44

Community Spaces and Development Activity Group.....49

Roads and Footpaths Activity Group .....77

Solid Waste Activity Group .....83

Stormwater Activity Group.....88

Wastewater Activity Group .....93

Water Supply Activity Group .....97

# Introduction

In determining how activities are funded the Council is obliged to equitably 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 must consider the nature of the services provided and who benefits from those services. It takes into account:

- **council outcomes** - the Council Outcomes to which an activity contributes, indicating the rationale for delivery of the service and the extent to which the activity contributes to achieving a broader public good
- **the beneficiary pays principle** - the distribution of benefits between the district community as a whole, identifiable parts of the community and individuals (Note the term 'beneficiary' is used throughout this document to refer to an individual, group or other entity that benefits from a service provided)
- **the intergenerational equity principle** - the period during which the benefits are expected to occur
- **the exacerbator pays principle** - the extent to which actions, or inactions, of individuals or groups contribute to the need to undertake the activity, and
- **the costs and benefits** of funding the activity distinctly from other activities.

The Council then considers the overall impact of any allocation of liability for revenue needs on the District, local communities and communities of interest.

This document provides a detailed assessment of the above criteria for each of the Council's activities (as proposed for inclusion in the 2015-2025 Ten Year Plan). The Council's decisions on which funding sources to use for both operational and capital expenditure will be made after considering and weighing up these criteria on balance.

## Guiding principles

The Council has identified some overarching principles that it considers important both to the business as a whole but also to how funding sources are determined. These principles have informed the assessment of the criteria above and are noted below.

### Essential services

The Council considers that some of its services are considered essential and fundamental to the functioning communities in the Thames-Coromandel District. These include water, wastewater, stormwater, roads and footpaths (district) and rubbish and recycling. The Council considers that all communities in the District should have (over time) equitable access to the level of essential services that a community requires to meet their needs, regardless of whether there are differences in cost (while noting that need may be specific to different communities).

Differences in the cost of delivering these services locally are often due to factors outside of the communities control such as the sensitivity of the surrounding environment on the availability of water at source. Hence, the Council does not see it as appropriate to recognise exacerbators based on the catchments or areas in which users may choose to access services.

Rather, the Council considers that communities through the District benefit from those services and has therefore chosen to have a consistent approach to the way it views the beneficiaries and exacerbators of these services.

### Ability to pay

Concerned about the public's ability to pay rates, the Council seeks to maintain an affordable and predictable level of rates in the future. To do this it will look to increase the use of alternative revenue sources while maintaining a conservative approach to borrowing and investment.

### **District Diversity**

The Council acknowledges the diversity of communities in the Thames-Coromandel District and wishes to recognise the different users and needs in its rating structure where appropriate. This includes targeting funding to those generate demand or benefit from Council services, but only to an extent that is considered affordable.

In addition, a priority of the Council is to empower local communities to have greater decision-making on services that it considers are local in nature. This includes activities which are considered to be non-essential (but still important) activities and therefore may vary across local communities.

Because this approach enables community boards to set these services at a level specific to their community board area, the Council is of the view that these local communities are the primary beneficiaries and exacerbators of these services rather than the District as a whole. It follows that in these cases, community board area-based funding is considered appropriate.

### **Distribution of Rateable Costs**

The Council has reviewed its approach to distributing activity costs across ratepayers. Currently the Council funds a number of activities through rates based on land value i.e. the higher rateable value of a property, the higher the proportion of rates that is charged. This approach is taken where it is considered that the value of a property equates to the degree of benefit it receives and/or exacerbates the need for the activity.

The Council has reconsidered the beneficiaries and exacerbators of its activities and has identified services where it believes that the ratepayers of properties all benefit equally. In these cases the Council believes that it is fairer in many cases to distribute the costs uniformly over the affected properties. That means all property ratepayers pay the same amount regardless of their value.

There is a limit to how much the Council can fund through uniform charges (30% of total revenue) so not all activities can be funded this way. The changes are noted in the relevant activity sections below.

### **Notes on funding sources**

For operational expenditure, funding portions contributing to each activity are expressed as ranges, from low to high. These ranges equate to the following percentages:

Low:	0-33%
Medium:	34-66%
High:	67-100%

Funding from grants and subsidies has not been apportioned in this analysis. In many cases these cannot be predicted in advance. However, it has been noted in the text where they are available as funding sources.

Capital expenditure funding contributions are identified in the Revenue and Financing Policy however the proportion of capital costs funded from each source will vary depending upon the nature of each capital works project.

## Overview of Changes Proposed

The following changes to the current Revenue and Financing Policy have been assessed against the criteria noted earlier and are proposed to be made:

- **All Activities:** A number of the Council's activities have been restructured. For the most part, the funding of the affected services has not changed.
- **Grants and Remissions Activity:** The district component of this activity is now proposed to be funded through a Uniform Annual General Charge (UAGC) rather than the General Rate.
- **Coastal and Hazard Management Activity:** it is proposed that the Hazard Management portion of the activity will be funded entirely through the UAGC rather than 70% General rate and 30% UAGC. The Disaster reserve funding will transfer from the Strategic Planning Activity into this activity but will continue to be funded through the General rate.. In addition, as the Pitoone loan has been fully repaid it is no longer required to be funded.
- **District Plan Activity:** This activity is now proposed to be fully funded through a UAGC, rather than the combined funding of the General Rate and UAGC.
- **Economic Development Activity:** An increased portion of this activity is proposed to be funded by all ratepayers. Short-term accommodation has been recognised as a beneficiary of this activity and is also proposed to contribute funding to this activity. In addition, capital expenditure of this activity has been amended to include Grants and Subsidies due to the transfer of Natural and Cultural Heritage services to this activity.
- **Community Spaces and Development Activity Group:** This activity group has resulted from splitting the previous Community Spaces activities by community board area (the portion of the previous community space activities delivered within a board area is now grouped as an individual activity). All the activities within this group are now proposed to be funded by rates from the relevant community board area. This represents a change to the cemeteries, public conveniences and libraries which are currently either fully or partially funded on a district rating basis. The overall funding split has changed to a medium portion from land value-based rates, a medium portion from fixed charge rates and a low portion from fees and charges. In addition, all current capital expenditure funding sources have been merged.
- **Stormwater Activity:** This activity is proposed to be funded on a district-wide basis (largely over the area of benefit) rather than on a scheme basis. This is in keeping with the Council's district wide funding of essential services principle.

## Representation Activity Group

This activity group comprises of the following activities:

- Representation
- Grants and Remissions

Note: the Representation activity group is proposed to replace the Community Leadership activity group.

## Representation Activity

This is a **new activity** for the Council; it has been created by **combining** the 2012 **District Leadership and Local Advocacy** activities in full.

There is no intention to alter levels of service provision because of this change in approach nor does this indicate any decision to commence or cease either of the former activities.

### What we do

Through this group of activities, the elected Council and Community Boards help the Peninsula's communities contribute to Council plans and processes and then make decisions on our communities' behalf. Elected members have a proactive role in providing leadership to our community through the development of our district and community.

The purpose of the Council is to promote the wellbeing of our communities on the Coromandel Peninsula - both now and in the future. This includes providing leadership, advocating for our communities' needs and wants to other key service providers and decision-makers and providing for and encouraging participation in local decision-making. A priority of this Council is to ensure greater engagement of local communities in decision-making.

The Mayor and Councillors focus primarily on district wide decisions and issues. They are supported by local community boards, which represent their communities, ensure local views and aspirations are known, considered and advocated for. The community boards make decisions on local issues and activities and have a role in representing local community aspirations and concerns to assist in district wide Council decision-making.

Our leadership role is changing. We expect that Treaty settlements will soon be decided and post-Treaty arrangements within Hauraki Iwi have the potential to bring new challenges and opportunities to local government to build and foster more enduring relationships and partnerships with a better-resourced and focussed Hauraki tribal collective. We have also chosen to take a greater advocacy and leadership role not only within our community but also at a regional and national level.

### The services we provide

The services proposed in the 2015-2025 Ten Year Plan are as follows.

- Community views are heard and considered in Council decision-making.
- The Council undertakes good, robust decision-making.
- The Council will work towards establishing an effective co-governance regime with Hauraki Iwi.
- The Council administers triennial (or as required) elections to engage the community in the democratic process.
- The Council will advocate for the District's needs to other organisations.
- The Council leads by example in promoting a strong sense of community.
- Community boards offer local representation including making decisions on local issues.
- Community boards will advocate for their community's needs to other organisations.

These services have not changed from the 2012-2022 Ten Year Plan.

In terms of funding this activity, two activity components have been identified which reflect the different representation structures:

1. District representation (services provided by the Mayor and Councillors)
2. Local representation (services provided by local community boards).



## How it contributes to achieving the outcomes we are seeking

Council Outcome	The Representation activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• identifies and advocates for community needs</li><li>• guides decision-making to support economic growth and sustainable communities</li></ul>
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• provides opportunities to be actively involved in the direction of the council</li><li>• supports initiatives that promote and reflect community responsibility</li><li>• identifies and advocates for community needs and preferences</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• considers the impact of decisions and guides decision making around the management of our natural environment or native biodiversity</li><li>• supports community members to participate in looking after the environment</li><li>• identifies and advocates for community needs and preferences</li></ul>

## Does the activity generate benefits to the community as a whole (District wide)?

### District representation:

A fundamental principle of local government in New Zealand is the acceptance of the democratic electoral system for the selection of elected members. Thus the benefits of this activity are generally provided to the community as a whole. The Mayor and Councillors represent the whole community and everyone benefits from the process of democracy.

### Local representation:

The benefits of this activity are generally seen to benefit the particular community that is represented by each community board. However this component of the activity recognises that all members of the District have equal access to representation. Therefore, a District-wide funding mechanism that levels the cost of representation evenly across the District is appropriate.

## Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?

### District representation:

Sometimes it is possible to identify a group of persons who might benefit from a particular Council decision, but it is not normal practice to charge them directly, nor is it practicable. Elected representatives are there to represent the community.

### Local Representation:

The benefits of this activity are generally seen to benefit the particular community that is represented by each community board. Sometimes it is possible to identify a group of persons within a community board area who might benefit from a particular Community Board decision, but it is not normal practice to charge them directly nor is it practicable.

## Does the activity benefit individuals (and if so, who)?

### District representation:

Although elected representatives may be able to identify those members of the public who contact them directly about specific issues or benefit from particular decisions, they are primarily there to represent the district community and it is part of our democratic process that individuals making contact on issues are not charged directly for this service.

**Local Representation:**

Although elected representatives may be able to identify those members of the public who contact them directly about specific issues or benefit from particular decisions, they are mainly there to represent local communities and it is part of our democratic process that individuals making contact on issues are not charged directly for this service.

**What is the period in or over which benefits will occur?****District representation:**

The benefit of having district representation should occur within a short- to long-term period as the Council is required to meet the current and future needs of communities.

**Local Representation:**

The benefit of having local representation should also occur within immediate short to long-term period as being delegated responsibilities by the Council, community boards are required to comply with the Council's purpose to meet the current and future needs of communities.

**To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?****District representation:**

This component of the activity is to a large extent, a requirement of legislation and must be carried out regardless of the actions of individuals or groups. No particular actions or inactions drive the need to carry out this activity other than the overall demand for democratic representation. Those who are considered to contribute to the need for Council to carry out this activity include:

- those who are eligible to vote
- individuals and groups who pursue issues of interest to the council or community board
- future users of the service and those who undertake or demand further development in the District, thereby increasing the demand for provision of the service and any related assets.

**Local Representation:**

This component of the activity is not required by legislation, however it must be delivered in a way that complies with decision-making and governance legislation. There is no direct connection between actions or inactions of particular persons or groups to the need to undertake the activity. However, more broadly those who are considered to contribute to the need for Council to carry out this activity include:

- members of the district who create a demand for local representation via community boards
- all members of local communities whose interests can be represented by a community board to the Council;
- those who pursue issues of interest or contribute to public forums with community boards.

It is not practicable to identify these members.

**What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?****District representation:**

There would be no benefit in funding the district representation component of this activity separately from other activities except that the funding would be easier to distinguish from those others. There would, however, be an increased cost in collecting it separately. The actual rating mechanisms used will therefore be amalgamated with other activities to reduce collection costs.

**Local Representation:**

As per the district representation component above.

## Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?

### District representation:

There are no external sources of funds available to fund this activity.

### Local Representation:

As per the district leadership component above.

## How will the activity be funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	District Component Funding Portion	Local Component Funding Portion
Fees and Charges		
<b>Rates</b>		
• General Rate - Land Value - District		
• Uniform Annual General Charge - District	High	High
• Targeted Rate		

The Mayor, councillors and community board members are elected representatives whose role it is to provide leadership and make decisions affecting the whole District, or their area of the District on behalf of residents, ratepayers, businesses and other organisations. The activity also ensures free access to democratic systems across the District. As such, the Council considers that this activity should be funded by the UAGC as the activity benefits all ratepayer groups.

**Capital expenditure** for the **district representation** component of the activity is funded as shown:

	ILOS & Renewal	Additional Capacity
General Rate	No	No
Uniform Annual General Charge (less investment income subsidy)	Yes	No
Targeted Rate	No	No
Lump Sum Contributions	No	No
Fees and Charges	No	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	No	No
Grants and Subsidies	No	No
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth is occurring. Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required.

Funding for capital expenditure by UAGC is based on the same rationale as that for operational expenditure. Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

No **capital expenditure** funding is required for the local representation component of this activity.

## Grants & Remissions Activity

This is a **new activity** which **merges the 2012 Social Development activity and parts of the 2012 Natural and Cultural Heritage activity**. These activities previously fell within the Community Development activity group which is proposed to be withdrawn, and the Land Use Activity Group.

There is no intention to alter levels of service provision because of this change in approach nor does this indicate any decision to commence or cease either of the former activities.

### What we do

The Thames-Coromandel District Council's Grants and Remissions service provides support to community organisations to build their capacity to assist in developing a strong and connected community. The Council actively collaborates with organisations to achieve efficient use of resources, strong partnerships and financial assistance contributing to greater community cohesion. This is achieved by service level agreements, the administration of community and events grants and rates remissions.

### The services we provide

The services proposed in the 2015-2025 Ten Year Plan are as follows.

- The Council promotes community empowerment through supporting community-driven initiatives that contribute to a strong and cohesive community.
- The Council provides contestable funding support for social service, heritage and community initiatives.
- The Council provides contestable funding support for sport and recreation.
- The Council provides contestable funding support for people to participate in, experience and enjoy the arts.
- The Council supports high quality events by providing contestable event funding.
- The Council supports the provision of residential housing for older persons.
- The Council supports the provision of seasonal swimming pools in Whitianga, Whangamata and Coromandel.
- The Council supports crime minimisation initiatives within communities.

Aside from the 'relocation' of heritage services to this activity, the services are not proposed to change significantly from the 2012-2022 Ten Year Plan.

In terms of funding this activity, two distinct activity components have been identified which reflect the different beneficiaries of the different services:

- District grants and remissions – focussing on delivering services that provide benefits District-wide, and
- Local (community board area) grants and remissions - focussing on services to local communities. This would include any heritage grants provided for.

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Grants & Remission activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• provides funding support for high quality events helps increase our visitor numbers particularly in traditional off-peak times of the year.</li></ul>
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• provides support to a range of recreation and leisure opportunities for the community through levels of service agreements and grants.</li><li>• advocates for our community's' needs by facilitating and funding community strategies and forums e.g. for Disability Stakeholder forum.</li><li>• funds partnerships and collaboration with organisations encourages community responsibility.</li><li>• assists in promoting and developing a safe living environment through levels of service agreements and grants.</li></ul>

	<ul style="list-style-type: none"> <li>• helps support the community to respect and nurture a local sense of place while promoting and valuing the district's historical and cultural heritage through levels of service agreements and grants.</li> </ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"> <li>• provides support for our unique environment to be protected through levels of service agreements and grants.</li> <li>• assists the community to play their part in keeping our environment safe through levels of service agreements and grants.</li> </ul>

### **Does the activity generate benefits to the community as a whole (District wide)?**

The activity as a whole provides a vehicle to service social needs and enhance our natural and cultural heritage at both a district and local level by fostering relationships and partnerships with external and internal parties that are able to best service these needs.

#### **District grants and remissions:**

Grants and remissions provided under the district-wide component are intended to provide benefits to the district as a whole.

The support of social needs by the types of organisations identified above is important in achieving healthy communities, the benefits of which flow on to the wider district. The Council provides grants to various community organisations that can best deliver the services required to reach a greater spread of the district.

The Council considers that the members of the district community benefit equally from this component of the activity.

#### **Local grants and remissions:**

Grants and remissions provided under the local component are not intended to provide benefits to the district community as a whole, however it may inadvertently do so.

### **Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

#### **District grants and remissions:**

Grants and remissions provided under the district component are not intended to provide benefits to individual geographical communities (e.g. an community board area), however may target an individual community of interest (e.g. young people across the district). It is not considered practicable to always define these communities of interest for the purposes of charging.

#### **Local grants and remissions:**

Grants and remissions provided under the local component are intended to provide benefits to an individual local community as defined by the community board area.

### **Does the activity benefit individuals (and if so, who)?**

Both components of the activity benefit groups of individuals who participate in the programmes offered by organisations that receive funding from the Council (for example, the Creative Communities Scheme allows individuals receiving a grant to strengthen their own artistic talents) the services are intended to add value to the district community as a whole by enhancing the skill base and wellbeing of individuals within the District). Organisations that are provided funding through this activity for projects or through subscriptions benefit directly, but often the work of these organisations should benefit broader communities if it is to receive funds. While the Council could potentially identify the immediate users of these services, the broader beneficiaries are not able to be individually identified and it makes no sense to charge directly for a grant normally justified by an absence of ability to generate funds autonomously (see below). Individual organisations may also benefit through the remission of rates where provided for in legislation or the Council's rates remission policy.

### What is the period in or over which benefits will occur?

Many of the immediate benefits only cover a short period for various reasons such as funding limitations and eligibility, however the intent of the services in this activity is to achieve long-term results. Overall the Council is committed to the support of initiatives within the District that promote the current and future wellbeing of residents and ratepayers..

### To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?

This activity is largely undertaken to meet a community need for self-development, particularly amongst those with limited means or opportunities to make progress without assistance. Those who are considered to contribute to the need for Council to carry out this activity include:

- those who are under-resourced and need assistance to develop skills or access training,
- those who are under-resourced and need assistance to improve their health or well-being,
- those who use or seek to use or develop land or sites whose actions or potential actions may impact on valued heritage places or items
- those who value the preservation of the district's or a local community's heritage.

The Council does not consider that there is a direct relationship between the value of a property and the level of benefit received and/or need exacerbated.

### What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?

There would be no benefit in funding this activity separately from other activities except that the funding would be easier to distinguish from those others. There would, however, be an increased cost in collecting it separately. The actual rating mechanisms used for each component of this activity are each amalgamated with other activities to reduce these costs of collection.

### Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?

External funds are available from time to time from central government agencies such as the Ministry of Youth Development (MYD). However, funding from this source cannot be anticipated in advance.

A small user charge could be applied for some programmes, however user fees are not considered appropriate at present for the reasons noted above.

### How is the activity funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	District	Local
	Funding Portion	Funding Portion
Fees and Charges		
<b>Rates</b>		
General Rate - Land Value - District		
Uniform Annual General Charge - District	High	
Targeted rate - Fixed Charge - Board		High

The district grants and remissions component of this activity that funds district-wide programmes for social development is now proposed to be funded entirely by the UAGC rather than the general rate (district) (land value). This recognises the broader benefits to the District and all rateable properties. Previously the general rate (district) was used to help address the affordability issues for some sectors of the District, however the Council is

of the view that all ratepayers benefit equally from this component of the activity and therefore should be charged on that basis.

The local grants and remissions component that deals with grants to local communities (as defined by community board areas) is totally funded by targeted rate (fixed charge) (board) which recognises that the benefits are specific to the community board area receiving the grant coupled with the view that all ratepayers benefit equally from this component of the activity and therefore should be charged on that basis.

**Capital expenditure** - no capital expenditure funding is required for this activity.



## Planning & Regulation Activity Group

This activity group comprises of the following activities:

- Strategic Planning
- District Plan
- Resource Consents
- Building Control

Note: This is a new activity group that replaces, in part, the Planning for the Future and Healthy and Safe Communities activity groups. There is no intention to alter levels of service provision because of this change in approach, nor does it indicate any decision to commence or cease any of the former activities.

## Strategic Planning Activity

The Strategic Planning activity in the 2012-2022 Ten Year Plan has been **retained**.

### What we do

This activity is about the communities of the Coromandel Peninsula and us planning for a sustainable future. Through strategic planning we can make more informed decisions balancing the Council's responsibilities to the community and legislative requirements.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows:

- assists the Council and District to identify its vision and strategic priorities
- provides information about how the communities of the Coromandel Peninsula are growing and changing
- undertakes assessments of community wellbeing
- monitors progress towards achieving the District's goals
- leads and contributes to the development of Council strategies, policies and bylaws
- plans for and manages the growth and development of its communities.

These services have not changed from the 2012-2022 Ten Year Plan, with the exception of the disaster fund which has been transferred to the Coastal and Hazard Management activity.

In terms of funding this activity, two distinct activity components have been identified which reflect the different beneficiaries of the different services:

- one provides district-wide services
- the other provides local (community board area) services.

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Strategic Planning activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• promotes economic and population growth that is socially and economically sustainable by defining what that means, and how it will be achieved</li><li>• provides a clear planning framework to guide future development of the district and create opportunities.</li><li>• informs plans for job and opportunity creation.</li></ul>
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• plans for the future to identify and promote our community needs.</li><li>• provides opportunities to be actively involved in the direction of the council.</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• helps ensure that future development fits sensitively within the Coromandel's unique landscape and coastal environment</li><li>• promotes a balance regulatory framework that protects important community and environmental values without imposing uniformity and inflexibility.</li></ul>

### Does the activity generate benefits to the community as a whole (District wide)?

The primary focus of the activity overall is on planning for a sustainable future for the District as a whole to improve community wellbeing in the long term.

### Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?

The local component of this activity benefits particular geographical communities within the District, particularly with the development of community plans, and the Council considers it appropriate to charge locally focused parts of this activity to local community board areas.

### Does the activity benefit individuals (and if so, who)?

The Strategic Planning activity primarily involves planning for the good of the District. A limited component of this activity does currently benefit individuals directly – through the provision of catered demographic information on request (such as to determine new business potential, prepare applications for central government funding) but it is difficult and impractical to identify which *particular* individual, if any, would do so over others and recover costs from them.

### What is the period in or over which benefits will occur?

The benefits of this activity will more often occur in the long term. Strategic Planning provides a mechanism for which preferred future outcomes and benefits are identified, and plans put in place. It often then requires implementation mechanisms (usually through other activities) for work to commence towards realising these benefits.

### To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?

Broadly speaking, the need to undertake the activity is driven by a legislative mandate to play a broad role in meeting current and future community needs, i.e. the broader community good. Those who are considered to contribute to the need for Council to carry out this activity include:

- local geographical community areas greatly contribute to the need to undertake particular components of the activity. They are also the beneficiaries of these components of the activity. In this case, it is appropriate that those components be funded by the relevant local community;
- a small amount of work is generated directly from customers requesting demographic information. These customers are not currently charged the cost of doing so.
- future users of the service who will benefit from existing services and assets.

### What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?

There would be no benefit in funding this activity separately from other activities except that the funding would be easier to distinguish from those others. There would, however, be an increased cost in collecting it separately. The actual rating mechanisms used for each component of this activity will each be amalgamated with other activities to reduce collection costs.

### Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?

There are no external sources of funds available for this activity. Customers could be charged for information request, however it is not currently considered cost-effective to do so.

### How is the activity funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	District Funding Portion	Community Board Area Funding Portion
Fees and Charges		
<b>Rates</b>		
General Rate - Land Value - District		
Uniform Annual General Charge - District	High	

	District Funding Portion	Community Board Area Funding Portion
Targeted Rate - Fixed Charge - Board		Medium
Targeted Rate – Land Value – Board		Medium

The Council considers that benefits of the District-wide component affect all ratepayers and that every ratepayer benefits to the same degree. The effects of the strategic planning activity are considered to be long-term and comprehensive. The fairest way of funding activities that affect the whole District or everyone in it is by charging all ratepayers equally. Funding for strategic planning with a district focus is therefore obtained via a uniform charge district-wide.

The Council considers that the funding of the local community-focused strategic planning should be funded by targeted rate to the relevant local community board area, reflecting that the benefit is received by those who live closest to the service. The part based on land-value recognises that the value of property reflects the degree to which ratepayers benefit from and/or exacerbate the need for the activity

**Capital expenditure** is funded as shown:

	ILOS & Renewal
General Rate	No
Uniform Annual General Charge (less investment income subsidy)	Yes
Targeted Rate	No
Lump Sum Contributions	No
Fees and Charges	No
Borrowing	Yes
Asset Sales	Yes
Development Contributions	No
Financial Contributions	No
Grants and Subsidies	No
Depreciation Reserves	Yes
Other Reserves	Yes

Capital expenditure that increases the level of service of or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Funding for capital expenditure by UAGC is based on the same rationale as that for operational expenditure. Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

No Capital expenditure is envisaged for the Local Strategic Planning activity.

### Operational Matters Outside the Scope of the Strategic Planning Activity

For reasons of financial convenience, the budget for this activity also provides for unrelated operational matters including:

- the funding of organisational overhead type activity including corporate planning (e.g. ten year planning, annual planning, quarterly performance monitoring, performance management framework);
- the funding of organisational overhead type activity including corporate policy (e.g. compliance with legislative decision-making requirements, corporate sustainability action plan, corporate community engagement policy);
- financial reserves funds including the Thames TUGPRA reserve interest costs;

- the funding of corporate assets including computer software, hardware, furniture and vehicles.

## District Plan Activity

The District Plan activity **renames** the **previous Land Use Planning** activity.

### What we do

The District Plan activity involves the preparation, monitoring and maintenance of the Thames-Coromandel District Plan which provides a framework to implement and support appropriate subdivision and land use management in the District.

The District Plan assists the Council to promote the purpose of the Resource Management Act 1991 (RMA) - sustainable management of natural and physical resources within the District. Sustainable management is defined in the RMA as meaning:

*“... managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic and cultural well being and for their health and safety ...”*

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows:

- The Council prepares, reviews and maintains a District Plan to manage the land use and associated resource management issues of the District's.
- The District Plan provides for a balanced regulatory framework that protects important community and environmental values.

While the above service statements differ from the 2012-2022 Long Term Plan, there is no intention to change the 2012-2022 services,

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The District Plan activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• increases residential and commercial property growth (rating base), mainly in serviced areas.</li><li>• increases employment with focus on the visitor and aquaculture industries, and support of the Peninsula's industrial base.</li><li>• provides for economic and population growth that is socially and economically sustainable.</li><li>• helps create a consistent, predictable and customer focussed environment that enables our economy to grow.</li><li>• maximises economic opportunities from the Peninsula's natural setting.</li></ul>
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• supports a choice of lifestyle opportunities.</li><li>• promotes development of a safe living environment.</li><li>• respects and nurtures a local sense of place and promoting and valuing the district's historical and cultural heritage.</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• provides for our unique environment to be protected.</li><li>• balances environmental protection with accessibility.</li><li>• ensures future development fits sensitively within the Coromandel's unique landscape and coastal environment.</li><li>• implements and supports appropriate land use management.</li><li>• has a balanced regulatory framework that protects important community and environmental values without imposing uniformity and inflexibility.</li></ul>

### **Does the activity generate benefits to the community as a whole (District wide)?**

By providing guidelines and rules for use of the land resource throughout the District, the District Plan provides benefits for all persons by helping ensure that development maintains environmental and community standards.

The Council considers that the members of the district community benefit equally from this component of the activity.

### **Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

Particular parts of the District Plan may inadvertently benefit identifiable parts of the community (e.g. groups of landowners) but because the activity supplies overall benefits to the whole community, it is not practical to identify all the different parts and recover costs on that basis, nor is it intended that parts of the District benefit over others.

### **Does the activity benefit individuals (and if so, who)?**

Sometimes a developer may wish to undertake an activity that is not permitted under the existing District Plan and they therefore seek to alter the Plan to make provision for this activity. This becomes a privately initiated change to the District Plan and may involve significant cost to the Council (e.g. cost of advertising, cost for preparing a Planner's Report, cost for a hearing, etc). In these circumstances, the Council recovers 'actual and reasonable' costs from the applicant.

Individuals also benefit from having a reliable District Plan that delivers on priorities and assists in maintaining, or even increasing, the investment they have made in property.

### **What is the period in or over which benefits will occur?**

The benefits of this activity should occur in the short- to -long term. The District Plan activity provides a mechanism for which preferred future land-use outcomes are identified, and plans put in place to realise these benefits through managing future land-uses.

### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

The need for this activity is not driven to any significant degree by the actions or inactions of particular individuals or groups. Rather, it is considered to be driven by the overall district community demand for a district in which land use is well planned and managed to avoid adverse impacts. Those who are considered to contribute to the need for Council to carry out this activity include:

- all members of the District, as all are considered to receive a benefit from the avoidance or minimisation of adverse effects of land use activities;
- those who seek a review of or amendment to the District Plan.

The Council does not consider that there is a direct relationship between the value of a property and the level of benefit received and/or need exacerbated.

### **What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

There would be no benefit in funding this activity separately from other activities except that the funding would be easier to distinguish from other activities. There would, however, be an increased cost in collecting it separately. The actual rating mechanisms used will be amalgamated with other activities to reduce collection costs.

### Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?

A fixed deposit (of \$10,000) is currently charged for lodging a private plan change application. The 'actual and reasonable' costs associated with processing private plan change applications can be charged to the applicant (but generally do not include staff time).

Fees can be charged for the purchase of District Plan maps and use of the District Plan 'annotation service' (by which District Plan holders obtain a service to keep hard copy text and maps up-to-date).

### How is the activity funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	Funding Portion
Fees and Charges	
<b>Rates</b>	
General Rate - Land Value - District	
Uniform Annual General Charge - District	High
Targeted Rate	

This activity provides guidelines and regulation of the use and development of land. The Council considers that this benefits the district community as a whole by ensuring environmental and community standards are maintained. Funding through the UAGC reflects that there is District-wide benefit and that all properties benefit equally from the protection of their assets.

Previously the general rate (district) was used on the basis that those with high value properties benefit more from the protection of their assets via this activity, however the Council is of the view that this is not the case and that all ratepayers benefit equally from this component of the activity and therefore should be charged on that basis.

The above funding arrangement excludes any privately initiated district plan changes.

**Capital expenditure** - no capital expenditure funding is required for this activity.



## Resource Consents Activity

The Resource Consent activity in the 2012-2022 Ten Year Plan has been **retained**.

### What we do

The Resource Consents activity is principally concerned with processing resource consent applications and ensuring that all developments and activities are consistent with our District Plan and the Resource Management Act 1991 (RMA). We are committed to improving our resource consent function that delivers communities planning needs, enables growth and provides good environmental outcomes in a timely and cost effective manner.

### The services we provide

The services we propose to provide are as follows.

- The Council ensures that resource and other consent applications (i.e. building consent) are processed within the statutory timeframe
- Good, prompt service will be delivered to help people understand the resource consent process and District Plan rules
- The Council checks that development activities are being carried out in accordance with the approved consents
- Our environment is being cared for and activities are being carried out in accordance with the District Plan.

These services have not changed from the 2012-2022 Ten Year Plan.

In terms of funding this activity, two distinct activity components have been identified which reflect the different beneficiaries of the different services:

1. the processing and issuing of land use consents, and
2. a monitoring/enforcement function.

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Resource Consent activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• Provides a clear planning framework to guide future development including economic growth of the District and create opportunities.</li><li>• Encourages sustainable economic growth in sectors that draw on, but do not compromise, our unique natural environment including tourism, aquaculture.</li></ul>
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• Can provide for a choice of lifestyle opportunities.</li><li>• Can promote and protect the Districts historical and cultural heritage.</li><li>• Promotes and supports a local sense of place (town centres, heritage and special environment protection, urban form).</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• Balances the protection of our unique environment environmental with accessibility.</li><li>• Ensures future development fits sensitively within the Coromandel's unique landscape and coastal environment.</li><li>• Should focus development regulation in the areas that are important.</li></ul>

### Does the activity generate benefits to the community as a whole (District wide)?

The aim of both components is to ensure that land use activities in the District are consistent with the District Plan. It is considered that the public generally benefits from developments occurring which are in keeping with the overall intent of the District Plan and the values sought for the District's visual appearance and use of land.

District planning protects property and people from natural hazards, ensures incompatible uses are kept separate and helps enrich our town centres, industrial areas and settlements. All of these benefits are considered to apply to the District as a whole.

**Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

To a degree, individual consents issued may benefit the particular part of a local community in which the development is to occur. The Council is able to identify the main groups that benefit from, say, a specific resource consent, such as a new house or subdivision. Equally the Council can identify parts of the community that benefit from protection from the adverse effects that development can create, such as groups or neighbours protected from flooding, loss of privacy or undue congestion on a local road from an inappropriate development. Benefits may apply to local communities when the application is for works of community benefit - for instance, a council applies for consent for flood protection works or a community hall or a new cycle way.

However, it is not possible to identify all those benefiting, nor would it be practical, or indeed appropriate, to recover costs of the activity from individual parts of a community.

**Does the activity benefit individuals (and if so, who)?**

The primary beneficiary of the resource consents activity is the developer who applies for the consent. Developers are easily identified and can be charged for the services of processing and issuing a resource consent. Even if the application is declined, the developer is expected to pay reasonable and actual costs involved in processing the application.

Individuals may also benefit from the prevention or abatement of inappropriate land use by others which would otherwise adversely affect them or their property. However, it is not considered feasible to identify or charge these individuals.

**What is the period in or over which benefits will occur?**

The benefits of this activity should occur in the short- to long-term. The resource consent activity provides for the regulation of land-uses to be administered, monitored and enforced in a manner which complies with the District Plan (refer District Plan activity above). The District Plan provides a mechanism for which preferred future land-use outcomes and benefits are identified. Decisions made on land-use cases should provide for short- and long-term benefits to be realised.

**To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Most individuals across the District either wish to carry out works or provide a demand for control on the works of others that drive the need for this activity. Those who are considered to contribute to the need for the Council to carry out this activity include:

- all members of the District, to the degree that their need for protection from adverse effects of land use activities creates a demand for the activity;
- consent applicants because they need only seek a consent when they wish to undertake a development that is not otherwise permitted under the District Plan. This means their proposal does not fit entirely within the bounds of what is envisaged by the District Plan;
- individuals/groups who do not apply for resource consent for non-permitted land use, obliging the Council to spend time and resources to resolve these issues. In many cases these costs are not fully recoverable.
- those who request Council action to address possible unconsented land use activities.

### What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?

There would be no benefit in funding the rating portion of this activity separately from other activities except that the funding would be easier to distinguish from those others. There would, however, be an increased cost in collecting it separately. The actual rating mechanisms used will be amalgamated with other activities to reduce collection costs.

It is more convenient and practical to collect fees and charges separately as and when the service is required.

### Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?

The Resource Management Act 1991 allows local authorities to impose charges for carrying out the functions specified under it. The Council therefore will endeavour to recover the cost of processing applications from the applicant.

Sometimes an application has such wide impact that it is deemed appropriate for the wider public to have an input and in these cases the application is publicly notified. The costs of processing a notified application are necessarily higher because of the lengthy, more complex process involved in assessing the potential effects on the environment. The Council will charge appropriately to recover these additional costs.

Time spent on enforcement and monitoring is difficult to recover. Similarly, the cost of dealing with appeals against Council decisions on resource consents cannot normally be recovered from the individual making the appeal. The costs incurred can sometimes be considerable.

### How is the activity funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	Consents	Monitoring and Enforcement RMA Appeals
	Funding Portion	Funding Portion
Fees and Charges	Medium	Low
<b>Rates</b>		
General Rate - Land Value - District		
Uniform Annual General Charge - District	Medium	High
Targeted Rate		

For the consents component of this activity, fees and charges are obtained from developers, who benefit from the consent to develop their property. A uniform, district-wide charge reflects that the general public also benefit from ensuring that developments are in keeping with the overall intent of the District Plan. A general rate based on land value additionally reflects that those with high value properties benefit more from the protection of their assets.

For the Monitoring, Enforcement and RMA appeals component, funding from fees and charges are low, reflecting the limited opportunity to recover costs from those whose non-compliance requires enforcement action, or from appeals that involve high legal costs. A medium/high uniform, district-wide charge reflects that the public in general benefits from developments that are in keeping with the overall intent of the District Plan. A general rate based on land value additionally reflects that those with high value properties benefit more from the protection of their assets.

**Capital expenditure** - no capital expenditure funding is required for this activity.

## Building Control Activity

The Building Control activity in the 2012-2022 Ten Year Plan has been **retained** and **merged** with the **LIMs activity** and placed within the new Planning and Regulation activity group.

### What we do

The Building Control activity involves implementing a regulatory process to ensure buildings are safe, have the attributes that contribute to health and physical independence and to do so in a manner that promotes sustainable development. We are required by law to carry out building control activities both as a Territorial Authority and a Building Consent Authority. This includes enforcing strict regulations relating to the construction of buildings and structures. The Council has been an accredited Building Consent Authority since mid-2008.

Central government is currently reviewing part of the delivery of building consent services, including the future role of local government in providing these services. The decisions arising from this review will likely impact on our future role in provision of the Building Consent Services. The Territorial functions around Dangerous, Insanitary and Earthquake Prone Buildings as well as all enforcement and guidance functions under the Building Act 2004 will remain unchanged.

This activity also provides the Land Information Memoranda (LIM) service. LIMs are reports issued by the Council on request about a particular property or piece of land. LIMs help protect buyers of property and provide important information for project planning.

### The services we provide

The services we propose to provide are:

- The Council processes, inspects and certifies building work applications
- All medium risk or above illegal building work will be investigated and risk addressed.
- Public buildings not complying with the Building Act and swimming pools not complying with the Fencing of Swimming Pools Act respectively, will be identified and rectified.

These services have not changed from the 2012-2022 Ten Year Plan.

In terms of funding this activity, three activity components have been identified:

1. Building consenting (processing, inspecting and certifying building work)
2. Building enforcement (ensuring compliance with legislation and related requirements)
3. Land information memoranda.

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Building Control activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• helps provide for economic and population growth that is socially and economically sustainable.</li><li>• provides a process to ensure that buildings are safe. Having safe buildings contributes to the attractiveness of the District to individuals, tourists, and business owners when they make decisions about visiting, living or setting up a business in the District.</li><li>• has a part to play in the streamlining of regulatory processes.</li></ul>
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• promotes the development of a safe living environment.</li><li>• contributes to a safe living environment through the provision of information.</li><li>• helps ensure the provision of safe drinking water and waste disposal services.</li><li>• ensures high standards of public health.</li><li>• housing quality.</li></ul>

<b>A clean and green district</b>	<ul style="list-style-type: none"> <li>• provides for our unique environment to be protected.</li> <li>• contributes to future development fitting sensitively within the Coromandel's unique landscape and coastal environment.</li> <li>• contributes to keeping our environment safe and clean.</li> <li>• contributes to maintaining our natural environment through the provision of information.</li> </ul>
-----------------------------------	---

### **Does the activity generate benefits to the community as a whole (District wide)?**

Building control is a regulatory activity that promotes public safety and as such there are some general community benefits because the public can be assured that building activity complies with the relevant codes. For example, a safe water supply and proper disposal of wastewater are requirements of a building consent. This means that not only current occupiers benefit, but also future occupiers.

#### **Building Consenting**

Although the benefits of this activity component are received primarily by people developing their properties, by ensuring a safe building stock District wide, a benefit is provided to all users and potential purchasers of buildings in the District.

#### **Building Enforcement**

This activity component provides public benefit in a broad sense to everyone who uses or perhaps seeks to purchase buildings in the District whether they are currently ratepayers or not. It increases compliance within the construction sector as it promotes the obtaining of a consent for building work. This component discourages illegal building activities.

#### **Land Information Memoranda**

By and large, the benefits of this activity component are obtained by individual applicants. However, there is some benefit to the wider district community in that purchasers of Land Information Memoranda receive information on District Plan zoning and land use restrictions in place to prevent inappropriate use of land that may adversely affect others or the environment.

### **Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

#### **Building Consenting**

There is some benefit to the construction industry in that it has a built-in quality control check of the plans and specifications it produces for any particular construction, however it is most practical to charge individual industry members when they require the service.

#### **Building Enforcement**

This component of the activity is not considered to provide benefits to any specific part of the community.

#### **Land Information Memoranda**

The activity does not generate benefits to any identifiable part of the community but primarily benefits individual applicants.

### **Does the activity benefit individuals (and if so, who)?**

#### **Building Consenting**

Those who benefit most from the building consent process are the applicants who wish to construct buildings and the provision of a Code Compliance Certificate is now seen as an asset when selling a house. These beneficiaries can be easily identified and charged accordingly.

#### **Building Enforcement**

Individuals that have compliance issues benefit to the extent that their asset or work is rectified and/or made safe. This will mean that assets are protected and may be insured or sold. However, this is not always perceived as a benefit. Some costs can be recovered from these parties for Council inspection and enforcement.

#### **Land Information Memoranda**

The activity directly benefits the individual who applies for the LIM by providing information the Council holds pertaining to a particular property.

#### **What is the period in or over which benefits will occur?**

##### **Building Consenting**

The benefits of this activity should occur in the short- to long-term. This activity provides for the regulation of buildings and structures to be administered, monitored and enforced in a manner which complies with legislation. The benefits of the activity include providing for buildings and structures to be safe both currently and into the future.

##### **Building Enforcement**

As above.

#### **Land Information Memoranda**

This component of the activity provides immediate benefits for customers applying for a LIM, by providing information on particular properties.

#### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Individuals and groups within the community who are considered to contribute to the need for Council to carry out this activity include:

- individuals, businesses or organisations who create a demand for safely built structures
- businesses in the construction sector whose work must be checked, inspected, consented and monitored by Council
- members of the public or businesses who do not comply with Building Code requirements, which obliges the Council to carry out enforcement action
- members of the public who request the service of Council to investigate possible non-compliant buildings or structures
- those who wish to obtain council-held information concerning a particular property create a demand for the LIM activity component to be carried out
- those who have carried out illegal work or work without the appropriate consent at a property can be considered to create a need as subsequent purchasers wish to protect themselves from the impacts of this work.

#### **What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

There would be no benefit in funding the rating component of this activity separately from other activities except that the funding for these would be easier to distinguish from other activities. There would, however, be an increased cost in collecting them separately.

It is more convenient and practical to collect fees and charges separately as and when the service is required, when inspection or enforcement action is undertaken or when a LIM is requested.

#### **Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?**

The Building Act 2004 gives the Council the authority to recover actual and reasonable costs associated with this activity. The Council therefore has a range of fees it charges for processing applications for building consents and conducting inspections. Only a small percentage of funding for enforcement comes from fees and charges because it is not feasible to obtain higher cost recovery.

Land Information Memoranda can be funded by user charges. It is convenient and practical to collect fees and charges from users separately from other activities when the service is required.

### How is the activity funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	Consents and Inspections	Monitoring and Enforcement	LIMs
	Funding Portion	Funding Portion	Funding Portion
Fees and Charges	High	Medium	High
<b>Rates</b>			
General Rate - Land Value - District		Low	
Uniform Annual General Charge - District	Low	Low	
Targeted Rate - Capital Value - District	Low		

Fees and charges that can be expected for building consenting are in the high range to reflect that the main beneficiaries of the building consent process are the applicants who can be easily identified and charged. The rates portion reflects the public good associated with providing this activity. Funding by UAGC and district rate recognises that everybody benefits from a safe building stock in the District. The portion funded by district rate based on capital value also reflects the benefits of the service in relation to the value of the building asset and improvements made.

Fees and charges that can be expected for building enforcement are in the low range as there are limited opportunities to recover costs from offenders. Funding from UAGC in the medium range reflects the public good to the District overall from ensuring unsafe buildings are made safe. The portion funded by district rates based on land value recognises that there are affordability issues for some sectors of the community.

The LIM component is considered to primarily benefit the individual who applies for the LIM. Therefore it is considered fairest to fully fund this from user fees and charges.

**Capital expenditure** - no capital expenditure funding is required for this activity.

## Protection of People & the Environment Activity Group

This activity group comprises of the following activities:

- Community Health & Safety
- Coastal and Hazard Management
- Emergency Management

Note: the Protection of People and the Environment activity group is a new activity group. It is proposed to replace, in part, the Planning for the Future and Healthy and Safe Communities activity groups.



## Community Health & Safety Activity

The Community Health and Safety activity in the 2012-2022 Ten Year Plan has been **retained**.

### What we do

This activity provides a range of services to ensure our communities are clean, safe and healthy places to live. This includes minimising public nuisances and offensive behaviour as well as helping ensure public places are safe.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows:

- Premises are inspected to ensure they are producing safe food
- The Council provides animal control services to avoid dog attacks and nuisances
- Properties will be randomly checked for unknown, unregistered dogs
- All known dogs will be registered
- Stock do not wander on our roads and pound facilities are available
- The supply of liquor is controlled to prevent bad behaviour
- We will respond to noise issues so that it does not disturb others
- Parking and freedom camping restrictions are put in place and enforced
- Freedom Camping controls are put in place and enforced
- We help minimise the harm caused by gambling through limiting gaming machine numbers.

These services have not changed from the 2012-2022 Ten Year Plan.

In terms of funding this activity, there are four distinct components to the Community Health and Safety activity:

- Community Regulations for the application of bylaws
- Health Licensing, Monitoring and Enforcement which administers public health legislation
- Liquor Control for the regulation of suppliers of liquor and liquor ban areas; and
- Animal Control which ensures animals are not a danger to the public.

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Community Health & Safety activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• contributes to maximising economic opportunities in the District, by contributing to maintaining and enhancing the attractiveness of the District.</li></ul>
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• encourages community responsibility.</li><li>• contributes to a safe living environment.</li><li>• maintain Community values through application of bylaws.</li><li>• limits behaviours that negatively affect the community, therefore enabling community enjoyment of public spaces.</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• helps keep our environment safe and clean.</li></ul>

### Does the activity generate benefits to the community as a whole (District wide)?

#### Community Regulations

This activity component benefits the District-wide community in that all people can participate in the making and reviewing of bylaws and equally benefits from their implementation by the maintenance of community standards. The concept of "one law for all" sits well with district-wide benefits. All residents and visitors alike receive an even-handed approach to the various bylaws and regulations.

### **Health Licensing - Licensing, and Monitoring and Enforcement**

The primary purpose of public health legislation, which the Council administers, is to protect the consumer. This protection is available to all consumers across the District – even if an individual never enters a registered premise, he or she is likely to be in contact with people who do. The responsibility for investigation of communicable diseases ensures that cases of these are monitored and reported to the Ministry of Health which can also provide a benefit to the wider community.

### **Liquor Control**

The service provided by this activity component is delivered to the same standard across the District and provides a degree of safety and security to the entire district community. The general public benefits when purchasing liquor from licensed premises which are subject to conditions that have been placed on the licensee.

### **Animal Control**

The broader public enjoys the benefits from the management of animals including protection against dangerous dogs as a result of dog control. The request for service function operated by the Council enables any member of the public to register complaints about dogs that are seen to be a nuisance. Other stock control also benefits the community as a whole in that it reduces the danger of wandering stock causing road accidents etc.

### **Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

#### **Community Regulations**

There are a number of bylaws that are established by the Council to control various issues. In general the benefits are there for the whole district however the following parts of the Consolidated Bylaw have been identified as generating benefits to an identifiable geographical part of the community.

Part 3 Commercial Activities in a Public Place: Allows for certain commercial activities to occur in a public place. Commercial operators directly benefit from this activity and costs may be recovered to an extent from licence fees. There may also be some flow on to the general public with the provision of additional services, however, it is not considered feasible to identify and charge these individuals.

Part 20 Parking: Controls are put in place in specific geographical communities to ensure that parking is managed. Those communities where parking enforcement occurs may be considered to benefit from this activity more than others.

### **Health Licensing - Licensing, and Monitoring & Enforcement**

The benefits of this activity component are considered to be generally received equally by individuals across the District rather than any specific community.

### **Liquor Control**

The benefits of this activity component are considered to be generally received equally by individuals across the District rather than any specific community.

### **Animal Control**

The benefits of Animal Control are considered to be provided to individuals and members of the District as a whole, rather than any specific community. However, the localised communities also benefit from the controls that are put in place and monitored.

### **Does the activity benefit individuals (and if so, who)?**

#### **Community Regulations**

Controls are put in place to address issues and maintain community standards. Those that request the service benefit when these issues are resolved. However it is not considered appropriate to charge these individuals as the general public benefit from the maintenance of community standards.

### **Health Licensing - Licensing, and Monitoring & Enforcement**

This activity component benefits individuals who operate under licensed premises, because the licence allows them to operate their business, and also individual customers, who benefit from protection to health. The cost of the activity is able to be recovered largely by user charges made to the owners of the various business operations because they are easily identifiable.

### **Liquor Control**

The activity component benefits licensees in that they would be unable to sell liquor lawfully without a licence. The licensee benefits from having an independent person checking for compliance with the regulations that they are required to meet and who is available to assist them with any queries that they may have regarding the requirements. It also benefits other individuals, both residents and visitors, by enabling them to drink socially and to obtain supplies of alcohol for private consumption. Licensees can be identified and charged to a degree for this benefit.

Liquor bans also benefit individuals who do not wish to be involved with persons drinking excessively in public places but it is not possible to identify and charge these individuals.

### **Animal Control**

Dog owners are an identifiable group, because they are required to register their animals. In addition to the benefit of dog ownership, which entitles them to the lawful enjoyment of their pets and working dogs, there are other benefits available to dog owners. If dogs stray or get lost, they can be identified and returned to their owners. Dog owners also benefit by ensuring standards are maintained and those dog owners that are found to breach these standards are informed or penalised. However, much of the service provided by this activity component is directed towards problem animals and their owners, many of whom visit from outside the District.

This service also benefits those that wish to complain. The Council maintains a 24 hour seven day service to respond to complaints. However, the Council does not charge these individuals as it is considered that members of the community should have the ability to raise concerns without penalty and that the community as a whole benefits from having concerns from the public addressed.

### **What is the period in or over which benefits will occur?**

The benefits of this activity include providing for community health and safety including through controlling community issues. In many cases these benefits should be realised in the short- and long-term, as regulations are set and implemented on an on-going basis with current and future outcomes in mind.

Some components of this activity are more likely to be realised in the short-term, for example customers of food outlets will be given some assurance of the safety of the food sold.

The use of behavioural controls such as liquor bans may have short-term benefits for the time in which a ban is in place, but also have potential long-term benefits such as changing drinking behaviours.

### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

This activity exists primarily because of the need to ensure that community health, safety and comfort are not adversely affected by the behaviours or negligence of others. The need to undertake it is therefore driven almost entirely by those whose actions or inactions require regulating and those generating a demand for the maintenance of community standards.

Those who are considered to contribute to the need for Council to carry out this activity include:

- those members of the public who wish to operate a business in the district that requires licensing;
- those members of the public who wish to own a dog;
- all members of the public who do not comply with relevant regulations or bylaws, obliging the Council to take enforcement action;

- those members of the public who request Council action in relation to perceived breaches of regulations or bylaws;
- future users of the service who will benefit from existing assets;
- those who undertake or demand further development in the District, thereby increasing the demand for provision of the service and any related assets.

### **What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

There would be no benefit in funding this activity separately from other activities for any UAGC or General Rate components except that the funding for these would be easier to distinguish from other activities. There would, however, be an increased cost in collecting them separately. The rating mechanisms used to collect these will therefore be amalgamated with other activities to reduce these costs of collection.

It is more convenient and practical to collect fees and charges separately as and when the service is required.

### **Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?**

#### **Community Regulations**

There is little opportunity to collect fees and charges from the creators of nuisances due to limited ability to charge, and collection can be difficult given that some of the perpetrators are visitors to the District.

#### **Health Licensing - Licensing, and Monitoring and Enforcement**

Funding for this component is allocated differently for Licensing from Monitoring and Enforcement. There are no external sources of funds but, for Licensing, the Council is able to impose direct charges on the licensees within the parameters set out in the legislation. However, because of the statutory limitations, full cost recovery is not possible (licensing represents approximately 70% of funding). For Monitoring and Enforcement, it is simply not practicable to recover the majority of costs incurred in obtaining compliance and taking appropriate enforcement action.

#### **Liquor Control**

No external sources of funds are available but user charges can be applied to licences to provide approximately 70% of funding.

#### **Animal Control**

Impounding fees and infringement fees can be charged for offences where the offender can be identified. These fees are minimal and are likely to represent less than 4% of the cost of operating the activity. User fees are imposed for dog registration on the resident owners of dogs.

### **How is the activity funded in the 2015-2025 Ten Year Plan?**

**Operating expenditure** is funded as shown:

	<b>Community Regulations</b>	<b>Health Licensing</b>	<b>Health Licensing - Monitoring and Enforcement</b>	<b>Liquor Control</b>	<b>Animal Control</b>
	Funding Portion	Funding Portion	Funding Portion	Funding Portion	Funding Portion
Fees and Charges	Medium	Medium		Medium	Medium
<b>Rates</b>					
General Rate - Land Value - District					
Uniform Annual General Charge - District	Medium	Medium	High	High	Medium
Targeted Rate					

For all components of this activity, fees and charges are recovered where possible. It is easy to identify and charge licensees. However, attempting to recover costs from offenders or perpetrators of nuisances is simply not

practicable. The remaining components are funded by UAGC as it is considered that the whole community benefits from these activities.

**Capital expenditure** is funded as shown:

	ILOS & Renewal	Additional Capacity
General Rate	No	No
Uniform Annual General Charge (less investment income subsidy)	Yes	No
Targeted Rate	No	No
Lump Sum Contributions	No	No
Fees and Charges	Yes	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	No	No
Grants and Subsidies	No	No
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs.

Funding for capital expenditure by UAGC and fees and charges is based on the same rationale as that for operational expenditure.

Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

## Coastal and Hazard Management Activity

The Hazard Management activity has been **retained** but renamed and **broadened**.

### What we do

The Hazard Management activity involves managing risk to people, property and the environment from natural events. We work closely with partner agencies like the Waikato Regional Council to deliver this activity. By comparison, our *Emergency Management* activity focuses on communities being ready for, responding to and recovering from emergencies when they do happen.

This activity has a number of work programmes it progresses to manage the effects of natural hazards these are:

- Seismic Events
  - Tsunami Project
- Climatic hazards
  - Peninsula Project - (developing strategies for extreme weather events)
  - Wind Shear Project
  - Eastern Seaboard Coastal Management Plan and the Whitianga Coastal Action Plan. Coastal adaptation to climate change
  - Coastal hazard policy framework

Previously the Hazard Management activity primarily developed policy responses to the major natural hazards facing the Coromandel Peninsula's communities. The nominal budget (in the order of \$50k per annum) reflected this. Previously the Hazard Management Activity primarily provides the policy and research framework to complement and implement hazard management through other activities.

It is noted that Council has a renewed direction for a more pro-active approach to coastal hazards especially where there is a threat to Council infrastructure. This work will focus on addressing key 'hot spots' where there risks to people, property and the environment primarily a new focus on where there is a significant threat to Council Assets, however a full understanding of overall cost and benefits across the district is a high priority.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows

- The Council will work with other agencies to manage the effects of natural hazards especially coastal erosion.

The latter part of the service statement is new.

In terms of funding this activity, two distinct activity components have been identified which reflect the different geographical focus of the different services:

1. Hazards management (district-wide) – the Council is budgeting for a planning approach to mitigating hazards with some specific coastal protection work being funded from the appropriate asset area of local activity.
2. Moanataiari special project

A third component – the Pitoone special project – is no longer required as the loan to which this applied has been fully repaid.

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Coastal and Hazard Management Activity...
A Prosperous District	<ul style="list-style-type: none"><li>• actively manages risk around natural hazards so that it enables our economy to grow.</li><li>• identifies risks to infrastructure and provides for mitigation of risks of</li></ul>

	<p>natural hazards to that infrastructure can support a prosperous district.</p> <ul style="list-style-type: none"> <li>protects the districts iconic beaches and Essential Council Assets from coastal erosion will help to retain and enhance the coastal environment ensuring that visitors are able to continue to enjoy the districts natural attributes and therefore help to contribute to increased visitor numbers. A best value assessment will need to be undertaken to weigh up costs of coastal erosion protection vs cost of maintenance and replacement of key Council assets.</li> <li>through coastal erosion management, helps to maximise economic opportunities from the peninsula's natural setting.</li> <li>through hazard identification, responses, mitigation and information, helps to provide certainty for development of commercial and residential properties and therefore help to provide for sustainable growth across the district. A focus for Hazard management in serviced areas will also aid this outcome.</li> </ul>
A Liveable District	<ul style="list-style-type: none"> <li>promotes development of a safe living environment through management of Hazards.</li> <li>ensures that there is adequate planning and future investment to avoid natural hazards to achieve a liveable district for all communities.</li> <li>delivers Hazard Management in the most affordable manner through joint approaches with other agencies such as WRC</li> </ul>
A Clean and Green District	<ul style="list-style-type: none"> <li>protects our unique environment.</li> <li>seeks a balance between environmental protection and accessibility.</li> <li>helps protect our unique environment and natural ecosystems at risk from hazards.</li> </ul>

### **Does the activity generate benefits to the community as a whole (District wide)?**

The district-wide benefits currently hinge around the need for the District to be a safe and attractive place to live, work and play. Amongst other things, a District where hazards are well-managed will be more attractive to people considering coming to the District.

### **Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

Particular parts of the district may be identified from time to time with specific issues, and projects developed to deal with these. These communities can be identified and costs recovered as appropriate (such as work carried out in Moanataiari).

### **Does the activity benefit individuals (and if so, who)?**

The majority of benefits do currently accrue to individuals. This is because, in the main, hazards work is to do with reducing the risk to individual properties, helping protect the safety, wellbeing and property investment of their owners. However, specific individuals that will be affected cannot always be identified in advance. In this situation, funding obtained from rates is similar to an insurance policy. Everyone in the District contributes to the "premium" but a hazard may affect just a few people. In reducing the risk to each individual, however, the benefit accrues in aggregate to the wider district.

### **What is the period in or over which benefits will occur?**

The primary focus of this activity is to manage risk to people, properties and the physical environment both now and into the future. As such the benefits should be realised as different plans are put in place, and in the long-term. Some programmes may be implemented to address forecasted issues in the long-term that are not currently experienced, such as building or planning for mechanisms that address forecasted weather events and sea-level rise.

### To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?

The hazards addressed by this activity often, but not always, result from natural causes rather than the actions or inactions of people. To a degree, individuals may sometimes contribute to the need for Council to carry out this activity. These include:

- all who live or own property in areas known to be susceptible to hazards, eg. flooding;
- those who create a need for capital work by misuse of land or waterways (however, this would be a very rare event);
- future users of the service who will benefit from existing assets.

### What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?

There would be no benefit in funding the overall Hazard Management activity separately from other activities except that the funding would be easier to distinguish from other activities. There would, however, be an increased cost in collecting it separately. Actual rating mechanisms will be amalgamated with other activities to reduce these costs of collection.

On the other hand, it is beneficial to collect any targeted rate (fixed charge, area of service) separately for the Moanataiari special project as this enables the Council to obtain funding only from those ratepayers in the very specific geographical locations affected. Similarly, collecting the targeted rate (fixed charge, board, stormwater) relating to Pitoone ensures that only those directly benefiting contribute.

### Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?

While there is usually no direct contribution from external sources to the hazard management activity, considerable non-financial benefit is derived from other public sector agency budgets, particularly Waikato Regional Council and crown research institutes NIWA (National Institute of Water and Atmospheric Research) and GNS Science.

Sometimes there are opportunities to seek central government or other agency funding in relation to this activity. For example, following an event of the magnitude that causes a civil defence emergency, but this is not included in the funding allocation for this activity as it cannot be anticipated.

### How is the activity funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	Hazards Management	Moanataiari Special Project
	Funding Portion	Funding Portion
Fees and Charges		
<b>Rates</b>		
General Rate - Land Value - District	Medium	Low
Uniform Annual General Charge - District	Medium	
Targeted Rate - Land Value - Board		Medium
Targeted Rate - Fixed Charge - Area of Service		Low
Targeted Rate - Fixed Charge - Board Stormwater		Low

Funding for this activity overall will be obtained from rates and charges applied District-wide. The general rate component is used to fund councils disaster reserve. This reserve is used to help fund expenses incurred in event of natural disasters after all insurance claims and subsidies have been claimed, to repair key infrastructure including roads, water, sewerage, stormwater and stopbanks. The funding of this reserve through the general rate reflects that those with high value properties benefit more from the protection of their assets.



Operating expenditure for special projects is funded differently to reflect the particular circumstances they are addressing. Funding mechanisms for the Moanataiari Project were fixed by agreement during the development of the project and cannot now be changed.

Funding mechanisms for other projects (primarily to work done historically at Pitoone) were also fixed by agreement at the time of development and reflect the benefits to those affected.

**Capital expenditure** is funded as shown:

	ILOS & Renewal
General Rate	Yes
Uniform Annual General Charge (less investment income subsidy)	Yes
Targeted Rate	Yes
Lump Sum Contributions	No
Fees and Charges	No
Borrowing	Yes
Asset Sales	Yes
Development Contributions	No
Financial Contributions	No
Grants and Subsidies	No
Depreciation Reserves	No
Other Reserves	Yes

Capital expenditure that increases the level of service of or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Funding for capital expenditure by general rate, uniform annual general charge and targeted rate is based on the same rationale as that for operational expenditure.

Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

## Emergency Management Activity

The Emergency Management activity has been **retained**.

### What we do

The Emergency Management activity focuses on communities being ready for, responding to and recovering from emergencies when they do happen. There is a stronger focus in today's emergency management that strengthens resilience and the communities understanding of hazards and taking the right action to mitigate.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows.

- The Council will be prepared for and able to respond to emergencies
- The Council will support its communities in enabling them to respond to and recover from emergencies
- We support first-response emergency activities.

These services have not changed from the 2012-2022 Ten Year Plan.

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Emergency Management activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• helps create an environment that enables our economy to grow, by enhancing the community's resilience to disasters.</li><li>• provides a clear emergency planning framework to guide future development of the district and create opportunities when recovering from disasters.</li><li>• advocates for other essential infrastructure e.g. broadband, to enable effective community response and recovery during and following emergency events.</li><li>• coordinates activities during and after a disaster to provide waste, wastewater, transport and other infrastructure services needed to help the economy grow.</li></ul>
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• contributes to planning for the future to identify community needs.</li><li>• encourages community responsibility.</li><li>• promotes development of a safe living environment through local emergency education, response and recovery plans.</li><li>• respects and nurtures a local sense of place through local emergency response and recovery plans.</li><li>• helps ensure the provision of safe drinking water and waste disposal services during and after an emergency.</li><li>• supports initiatives, such as civil defence and rural fire, which promote and reflect community responsibility</li><li>• plays a significant role in Civil Defence and the reduction of hazards.</li><li>• delivers services in the most affordable manner through joint emergency planning and services.</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• plays a part in keeping our environment safe and clean by coordinating a response to and recovery from disasters when they do happen.</li><li>• protects the rural natural ecosystems from fire.</li></ul>

### Does the activity generate benefits to the community as a whole (District wide)?

The activity provides benefits to the district community as a whole particularly in respect of the civil defence operation. Civil defence emergencies can be declared over the whole District or part of the District depending on

circumstances. The provision of emergency services can be seen to be in the nature of an insurance policy. Everyone in the District contributes to the "premium" but an emergency may affect just a few people.

**Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

Rural fires tend to affect smaller geographical areas of the community and, perhaps, even just one property. Civil defence can also service one geographical part of the community depending on the nature and severity of the event. Grants to surf lifesaving groups generally provide benefits to individuals, be they local or visitors, in providing an element of security for those taking part in water activities. With the exception of rural fires in some instances, it is mostly not practical to identify and charge the beneficiaries of these services. Costs for rural fires can be mostly recovered, however this revenue is generally negligible.

**Does the activity benefit individuals (and if so, who)?**

Individuals benefit from these services if they have their lives or property preserved as a result of a particular emergency service being available. It is generally not practical to identify and charge the beneficiaries of these services.

**What is the period in or over which benefits will occur?**

The benefits of this activity will most likely be realised whenever a civil defence emergency occurs. The building of community readiness for civil defence emergencies should have a short- to long-term benefit whereas the response to civil defence emergencies will usually have short-term benefits in relation to when the emergency occurs.

**To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Not all emergencies are created by human actions or inactions. Within this District, most civil defence emergencies are weather related and, therefore, not caused by an individual or group of individuals. However, to the degree that people generate a demand for a safe living environment, trigger an emergency or place themselves at risk, they contribute to the need for Council to carry out this activity. These individuals and groups include:

- those who, through their actions or inactions, cause civil defence emergencies, e.g. a significant hazardous substance spillage (but this would be an unusual situation).
- those who trigger a rural fire, either through poor fire safety practices or deliberate setting of a fire. Where possible, response costs are recovered from these people through the National Rural Fire Authority and Council only bears the \$1,000 minimum threshold. However, Council still has to bear the "readiness" costs of having the rural fire parties available to respond.
- those who swim in coastal waters create a need for surf lifesaving.
- those who seek to restore their homes, businesses and psychosocial needs following an emergency.
- future users of the service who will benefit from existing assets.
- those who undertake or demand further development in the District, thereby increasing the demand for the service and related assets.

**What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

There would be no benefit in funding this activity separately from other activities except that the funding would be easier to distinguish from those others. There would, however, be an increased cost in collecting it separately. The actual rating mechanisms used will be amalgamated with other activities to reduce collection costs.

## Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?

Some subsidies and assistance are received from time to time from the National Rural Fire Authority and Ministry of Civil Defence and Emergency Management, however these cannot be anticipated in advance. User fees are charged to anyone able to be identified as causing, or contributing to rural fires. Revenue from this latter source is negligible.

## How is the activity funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	Funding Portion
Fees and Charges	
<b>Rates</b>	
General Rate - Land Value - District	
Uniform Annual General Charge - District	High
Targeted Rate	

The primary focus of this activity is to protect people (as distinct from property). Although particular groups or areas may benefit more from this activity than others in any particular emergency situation, the Council has taken the view that this activity protects everyone in the District in the same way that an insurance policy does. The fairest way is to charge everyone in the District the same amount through the UAGC.

This approach is also consistent with all other Councils within the Waikato Civil Defence and Emergency Management (CDEM) Group, which have a Revenue and Financing Policy of 100% UAGC for the CDEM activity.

**Capital expenditure** is funded as shown:

	ILOS & Renewal
General Rate	No
Uniform Annual General Charge (less investment income subsidy)	Yes
Targeted Rate	No
Lump Sum Contributions	No
Fees and Charges	No
Borrowing	Yes
Asset Sales	Yes
Development Contributions	No
Financial Contributions	No
Grants and Subsidies	No
Depreciation Reserves	Yes
Other Reserves	Yes

Capital expenditure that increases the level of service of or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Funding for capital expenditure by UAGC is based on the same rationale as that for operational expenditure. Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

## Economic Development Activity Group

This activity group only comprises the **economic development** activity. This is a new activity group and **replaces, in part**, the **Community Development activity group** and the **Natural and Cultural Heritage activity** (within the Land Use activity group).

### What we do

The Council considers that economic development is a priority now more than ever. Through partnerships and working with others, the Council will continue to support tangible economic development opportunities in our District. This activity draws on the economic opportunities of the Peninsula's natural setting such as the tourism sector and is also focussing on aquaculture growth.

The Economic Development Activity and associated Committee is responsible for bringing a consistent and integrated district-wide approach to economic development, tourism and major events to help improve the Coromandel's economic performance and support and enhance the ability of the district to compete nationally.

While the events and economic development strategies have been adopted by the Council in 2013, the major increase in activity is proposed to occur in the 2015-2022 LTP. However, an increase in the activity's level of service did occur in the 2014/15 Annual Plan.

This activity now provides for the maintenance of a small number of heritage buildings.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows.

- Implement strategies and programmes to create sustainable economic growth on the Coromandel
- Support and advocate for sustainable economic development and new investment on the Coromandel
- Implement strategies and programmes for facilitating sustainable economic growth on the Coromandel.

These services *have* changed from the 2012-2022 Ten Year Plan. The main changes include providing for a number of economic development 'anchor projects', including the Great Walks and Hauraki Rail Trail projects. The rationale for these changes along with existing initiatives including the facilitation of aquaculture and major events funding, is to support the potential of key industries in the District and in turn improve the overall economic viability of the District.

In terms of funding this activity, two distinct activity components have been retained which reflect the different focus of and decision-makers for the different services:

1. A district-wide component that promotes initiatives to provide benefits across the District. This component includes the funding of i-sites (in Thames and Whitianga), heritage building maintenance and the biodiversity fund. For the first three years of the plan the district wide component will contribute towards the funding of local information centres in Coromandel, Tairua, Pauanui, and Whangamata 50% year 1 30% year 2 and 20% year 3 0% year four onwards. The Thames and Whitianga i-sites have been categorised as District I sites and as such will be funded district wide.
2. A local component which covers the funding of local information centres and event management.

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Economic Development activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• focuses funds on interventions that have a proven benefit to the District.</li><li>• facilitates the provision of infrastructure to help new industries establish and create opportunities and jobs.</li><li>• provides for economic and population growth that is economically</li></ul>

	<p>and socially sustainable.</p> <ul style="list-style-type: none"> <li>• maximises economic opportunities from the Peninsula's natural resources</li> <li>• encourages sustainable economic growth in sectors that draw on, but do not compromise, our unique natural environment including tourism and aquaculture.</li> </ul>
<b>A liveable district</b>	<ul style="list-style-type: none"> <li>• enables the Coromandel Peninsula to become a preferred area in which to live, work, raise a family and enjoy a safe and satisfying life by promoting sustainable economic development.</li> <li>• recognises that other Council activities shape the places that people want to live in and work in.</li> </ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"> <li>• encourages sustainable economic growth that fits sensitively within our unique natural environment.</li> <li>• will not pursue economic growth at the expense of our environment.</li> </ul>

### **Does the activity generate benefits to the community as a whole (District wide)?**

The district-wide component benefits the whole district by a) ensuring a co-ordinated approach to business development rather than an ad hoc approach, and b) contributing to the overall economic health of the District. If the District is prosperous, then everyone shares to some degree in that prosperity.

### **Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

To date, the activity has intended to provide benefits primarily to the business community, including (but not limited to) the rural sector. However the Council considers that its change in economic development services supports the overall economic health of the district and in turn creates a liveable district. Promotion of the District by way of other events of a social or sporting nature can bring benefits not only to business but also to non-profit organisations whose goals are centred more on social activity and to the wider population generally.

Further, in most cases it is difficult to distinguish between commercial sectors which directly benefit from this activity and those which do not.

The Council has now specifically recognised properties advertising holiday rentals as benefiting from the economic development activity more than general residential properties. Further, the Council has now specifically recognised properties with four or more bedrooms offering "bed and breakfast" accommodation as a semi-commercial business and therefore part of the commercial sector.

Local communities are considered to benefit most from events held in their areas and from the services of information centres locally.

The maintenance of Council-owned heritage buildings is considered to benefit the local community surrounding the buildings rather than the whole District.

### **Does the activity benefit individuals (and if so, who)?**

The proposed economic development services are considered to benefit, in part, businesses as a group. It is not feasible to identify or charge individual businesses benefiting from this activity. Council has also identified a direct benefit to those residential properties actively engaged in the short stay accommodation sector from this activity and is accordingly proposing a flat targeted rate to these properties.

While there is a spin-off for the public generally, and other groups, if a specific business is available in their town which would not be there were it not for Economic Development services this is reflected in the uniform annual general charge funding for this activity

The heritage component of this activity benefits individual organisations occasionally – for example, the lease of a Council-owned heritage building to a non-profit organisation at a reduced rental.

### **What is the period in or over which benefits will occur?**

The purpose of this activity is to improve the overall economic health of the District into the future, therefore overall benefits should be realised in the short- to long-term. Direct beneficiaries such as visitors and businesses may benefit from services immediately provided such as visitor information, district marketing.

### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Although businesses as a group are the immediate beneficiaries of services to enhance their operations, the needs of the wider community for employment opportunities and the benefits of increased economic activity is a significant driver for this activity. By creating a demand for these benefits, those who are considered to contribute to the need for Council to carry out this activity include:

- businesses and business sectors that will benefit from increased resources, promotion or other assistance either directly or indirectly;
- businesses that benefit from increased economic activity in the District;
- those seeking employment opportunities within the District;
- visitors to the District who require information about the District, its facilities and attractions;
- future users of the service who will benefit from existing assets;
- those who undertake or demand further development in the District, thereby increasing the demand for the service and related assets.

In relation to the maintenance of heritage buildings, this component is driven primarily by demand from the wider community for protection of heritage sites and items rather than specific actions or inactions of particular individuals or groups. Those who are considered to contribute to the need for Council to undertake this component include:

- all members of the public as the benefits of the preservation of buildings, structures, items, sites, ecosystems, species, etc. that the community values highly are considered to be available to the public as a whole,
- those who use or seek to use or develop land or sites whose actions or potential actions may impact on valued heritage places or items,
- future users of the service who will benefit from prior purchase and maintenance of existing assets including heritage buildings and items.

### **What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

There would be no benefit in funding this activity separately from other activities for any UAGC or Targeted Rate (Fixed Charge - Board) components except that the funding for these would be easier to distinguish from other activities. There would, however, be an increased cost in collecting them separately. The rating mechanisms used to collect these will therefore be amalgamated with other activities to reduce collection costs.

It is more practical to collect fees and charges separately, as these are not funded through rates. It would also be beneficial to collect a Targeted Rate to industrial/commercial properties separately as this would allow the Council to obtain funding specifically from the primary beneficiaries - businesses.

It is also more convenient and practical to collect fees and charges for the maintenance of heritage buildings separately; these relate to a very small property lease component.

### **Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?**

There are limited external funds available to this activity. Some funding can be obtained from commercial rentals but, overall, direct user charges are not seen to be a practical answer to funding all of the activity, but rather the use of a rate targeted towards the industrial/commercial property-owner or the residential property owner where that property is available for rent is more appropriate.

### How is the activity funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	District	Local
Fees and Charges	Low	
<b>Rates</b>		
General Rate - Land Value - District		
Uniform Annual General Charge - District	Low	
Targeted Rate - Fixed Charge – Board (local works and services rate)		Medium
Targeted Rate - Fixed Charge – District (short-term accommodation rate)	Low	
Targeted Rate - Value of improvements on industrial/commercial properties (economic development rate)	Medium	
Targeted Rate - Land Value – Board (local works and services rate)		Medium

The proposed funding approach above provides for a number of changes:

- While to date the Council has considered that the district economic development services have primarily benefited businesses in the District, it has now identified the general district public as a major beneficiary from its change in focus. As a result the Council is proposing to increase the portion of funding from general ratepayers (via the UAGC) and decrease the portion funded from industrial and commercial.
- It has also proposed to introduce a targeted Rate Flat charge district wide for residential rating units that are active in the short term accommodation market.
- Currently the natural and cultural heritage activity as a whole is funded through a low proportion of fees and charges and the remainder through the UAGC. Under the proposal it will be funded as per the local or district activity component that the service sits within (see the table above).

A targeted rate on the value of improvements on commercial and industrial properties means that businesses contribute a greater portion as they are primary beneficiaries. A low portion is also funded through a targeted rate on Short Term Accommodation as other beneficiaries. Fees and charges in the form of commercial rentals are obtained where appropriate. A medium portion of funding from a District-wide UAGC makes up the remainder, recognising the benefits to the District as a whole from this activity.

A targeted fixed rate by board reflects that the benefits of the local component are received by the local community, as it is administered locally to better suit the needs of the nearby community. A targeted rate on land value by board recognises that smaller businesses have less ability to pay.

**Capital expenditure** is funded as shown:

	ILOS & Renewal
General Rate	No
Uniform Annual General Charge (less investment income subsidy)	Yes
Targeted Rate	Yes
Lump Sum Contributions	No
Fees and Charges	No
Borrowing	Yes
Asset Sales	Yes
Development Contributions	No
Financial Contributions	No
Grants and Subsidies	Yes
Depreciation Reserves	Yes



ILOS & Renewal	
Other Reserves	Yes

Capital expenditure that increases the level of service of or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

## Community Spaces and Development Activity Group

This activity group comprises of the following activities:

- Thames Community Spaces and Development activity
- Coromandel-Colville Community Spaces and Development activity
- Mercury Bay Community Spaces and Development activity
- Whangamata Community Spaces and Development activity
- Tairua-Pauanui Community Spaces and Development activity.

Note: This is a new activity group that replaces the Community Spaces activity group. The following activity components have been grouped by geographical area rather than by services:

- Airfields
- Cemeteries
- Community centres and halls
- Public conveniences
- Harbour facilities
- Libraries
- Parks and reserves
- Swimming pools.

A priority of the current Council is to ensure greater engagement of local communities in decision-making. At the core of this principle is greater decision-making at the local level. Practically this means that the community boards will make governance decisions relating to the activities noted above as well as the local components of other activities (including economic development, social development, community health and safety, local strategic planning and local transportation).

Because this approach enables community boards to set services at a level specific to their community board area, the Council has adopted a general principle that these activities will be locally funded.

## Thames Community Spaces and Development Activity

This is a **new activity** combining all of the previous Community Spaces activities for the Thames community board area.

### What we do

In the Thames Community Board Area, the types of community space and development services include:

- airfields
- cemeteries
- community centres and halls
- public conveniences
- harbour facilities
- libraries
- parks and reserves
- swimming pools.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows. While the wording of some of the statements may have changed from that in the 2012-2022 Ten Year Plan, actual service levels have not changed.

2012-2022 TYP Activity	Level of Service
Airfields	Airfields that are safe for small aircraft <ul style="list-style-type: none"><li>• Sustainably managing the airfield revenue</li></ul>
Cemeteries	<ul style="list-style-type: none"><li>• To provide cemeteries that are tidy and well maintained spaces</li></ul>
Community Centres & Halls	<ul style="list-style-type: none"><li>• Availability of community centres and hall facilities for community activities and events</li><li>• To provide community centres and halls that are well maintained</li></ul>
Harbour Facilities	To provide harbour facilities that are well maintained.
Libraries	<ul style="list-style-type: none"><li>• To ensure provision of libraries and services to meet community needs</li><li>• The Council provides library facilities for customers to access library services</li><li>• Customers have access to a range of current information in both print and digital format</li><li>• A constant choice of new materials and current information is available throughout the year</li><li>• The district libraries provide programmes for people to improve reading and literacy skills</li><li>• To provide libraries that meets customer requirements.</li></ul>
Parks & Reserves	<ul style="list-style-type: none"><li>• To provide park and reserve assets that are well maintained</li></ul>
Public Conveniences	<ul style="list-style-type: none"><li>• To provide public conveniences that are safe for use.</li></ul>
Swimming Pools	<ul style="list-style-type: none"><li>• To provide well operated swimming pool facility</li><li>• The Council provides year round access to a swimming pool in Thames</li><li>• The Council provides a range of aquatic programmes</li><li>• To provide swimming pool facility that meets customer requirements.</li></ul>

### How it contributes to achieving the outcomes we are seeking

The services are considered to collectively contribute to the Council outcomes as follows:

Council Outcome	The activity...
<b>A prosperous district</b>	-
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• contributes to providing infrastructure to help build healthy communities</li><li>• contributes to respecting and nurturing a local sense of place and promoting and valuing the district's historical and cultural heritage</li><li>• contributes to supporting a range of recreation and leisure opportunities</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• contributes to maximising economic opportunities from the Peninsula's natural setting.</li></ul>

### Does the activity generate benefits to the community as a whole (District wide)?

While this activity may provide some benefits to the District as a whole, it is intended to primarily benefit local communities (as defined by community board areas (CBA)) within which the services are based. The need for and level of benefit from services are identified by community boards for the area they each govern.

Exceptions include:

- public conveniences which benefit visitors and tourists from outside the district and from other parts of the district, as well as communities benefitting from the environmental protection afforded by proper management of wastes
- libraries are considered to be of benefit to the whole District as informed literate individuals contribute to the social and economic wellbeing of the District and libraries play an important role in this process

### Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?

As above, this activity is intended to primarily benefit local communities within which the services are based.

Beneficiaries may include the following communities:

- local communities (CBA) which use opportunities to access air transport
- local communities (CBA) which receive financial benefits of air based tourism activity
- local communities (CBA) which receive emergency response via air
- local communities (CBA) which receive financial benefits of business activity associated with airfields
- people who relate to and are interested in their local cemetery from a historical point of view or respecting those who have passed
- local communities (CBA) which have access to a community centre and/or hall venue for public meetings and engagement
- users of public conveniences
- local communities (CBA) which benefit from proper management of human wastes
- local communities (CBA) which benefit from attractive harbours and associated recreational facilities
- commercial enterprises which use the harbour assets (such as aquaculture operators, ferry and barge operators, tourism operators) and local communities which benefit indirectly from the resulting economic viability
- boat users (both resident and non-resident)
- local communities (CBA) who access libraries
- students and parents of students using school holiday programmes and school visits
- residents and visitors making use of free internet access

- local communities (CBA) who benefit from the 'sense of place' created by, and have best access to, the parks and reserves in their area
- visitors and tourists using parks and reserves and value the attractiveness provided by open spaces and the recreational facilities provided
- people who benefit from spending by visitors and tourists attracted to the District as a destination
- local communities (CBA) which have access to recreational and training swimming facilities
- swimming communities including schools, clubs and other organisations
- visitors from outside of the District which regularly use pools

### **Does the activity benefit individuals (and if so, who)?**

Benefits of this activity are potentially received by the following individuals:

- airfield clubs and groups
- users of air services
- users of aircraft accommodation
- individuals and families provided with a ready interment site
- researchers of genealogy
- those hiring community centres and halls for sporting or cultural purposes and social events
- users of public conveniences
- private recreational boat users
- aquaculture barge operators
- ferry operators
- tourism charter boats
- those accessing reading and literacy services
- library resource borrowers
- sporting and recreational groups which have right of use of parts of reserves
- recreational swimmers
- people benefitting from increased water skills and confidence

It is not always economic to identify and charge the above individual users in all cases.

### **What is the period in or over which benefits will occur?**

Some of the benefits of this activity are immediate in nature (e.g. borrowing books from libraries for a short term period) while others are long-term (e.g. on-going ability to use library services into the future, access to permanent interment facilities).

The following services are likely to have a limited period of direct benefits:

- community owned and managed halls, where the Council is proposing to exit involvement
- the lifespan of the current Thames swimming pool is limited

### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Those who are considered to contribute to the need for Council to carry out this activity include:

- the government in its setting of legislative requirements (for some activities)
- users of aircraft who wish to leave or enter the District by air or require accommodation for their aircraft
- those who send or receive goods or services to or from the District by air
- those who intend to use a burial plot in the district and do not have access to a private cemetery

- those requiring indoor venues to hold or attend social or community events or meetings
- residents of the district who use public convenience facilities in their local communities and/or other parts of the district
- visitors and tourists who use public conveniences
- members of the District who require harbour facilities for recreational or transport uses
- visitors to the District who require access by boat or harbour facilities during their stay
- businesses that require transport to or from the District of goods or services by boat
- businesses that require access to and from marine areas to carry out their operations
- residents and ratepayers who require access to books and other library resources
- groups and individuals requiring outdoor venues and facilities for sports, social and recreational activities
- local communities (CBA) which desire the aesthetic, recreational and place-making attributes of parks and reserves
- those who wish for public swimming pools to be provided for recreation, training and fitness activities including users
- future users of the service who will benefit from existing assets
- those who undertake or demand further development in the District, thereby increasing the demand for provision of the service and any related assets.

#### **What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

It is not considered economic to rate for this activity separately and there would be little benefit in doing so. As a result it is amalgamated with other activities to reduce collection costs. It is, however, practical to collect fees and charges separately as users are identified.

#### **Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?**

Some user charges can be collected via:

- landing fees for airfields. The number of landings is too low for it to be economically viable to have the airfields fully staffed to manage all user charges. However, the Thames Airfield does have a system in place to identify and charge the majority of aircraft using the facility. It also charges an annual fee for aircraft domiciled on site. The Council is also able to charge for use of land (e.g. for hay production)
- charges for plots and internment services to individuals
- hireage of community centres and halls (although the Council takes into consideration the competition from other venues)
- the Department of Internal Affairs for the upkeep of the parts of cemeteries preserved for eligible service men and women although these are relatively minor and cannot be anticipated in advance
- wharfage levies, boat ramp and jetty user fees and user fees for boat shed use
- borrowing and photocopying fees at libraries
- fines for overdue library items
- 'Friends of the Library' group funding for non-core resources (in Thames and Mercury Bay)
- formal leases with sporting bodies and other groups and individuals in some cases
- user fees for swimming pools

The Council is required by law to provide free membership to all district residents.

When setting user fees or charges the Council considers the ability of community groups and other users to pay.

## How is the activity proposed to be funded in the 2105-2025 Ten Year Plan?

**Operating expenditure** for this activity (covering all services) is funded as shown:

	Funding Portion
Fees and Charges	Low
<b>Rates</b>	
Targeted Rate – Land Value – Board	Medium
Targeted Rate – Fixed Charge – Board	Medium

The above represents a new funding structure for the new activity group and activities. Previously all services were grouped separately in the form of activities. Because this approach enables community boards to set services at a level specific to their community board area, the Council has adopted a general principle that these activities will be locally funded where direct users cannot be identified and charged. In addition, the Council considers that the benefits received by local communities are greater than those received by the District.

The Council has identified it appropriate to fund each of the Community Space and Development activities as follows:

- fees and charges are collected where feasible.
- the remainder is funded by targeted rate to the relevant local community board area, reflecting that the benefit is received by those who live closest to the service. The part based on land-value recognises that the value of property reflects the degree to which ratepayers benefit from and/or exacerbate the need for the activity.

Major changes resulting from this new funding arrangement are as follows:

- airfield services did not previously have a fixed rating charge
- cemetery services were previously funded in part through district rating
- public conveniences were previously funded in full through district rating
- libraries were previously funded in part through district rating.

**Capital expenditure** is funded as shown:

	ILOS & Renewal	Additional Capacity
General Rate - Land Value - District	No	No
Uniform Annual General Charge (less investment income subsidy)	No	No
Targeted Rate	Yes	No
Lump Sum Contributions	No	No
Fees and Charges	Yes	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	No	Yes
Grants and Subsidies	No	No
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets is considered to benefit existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and

new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs.

Funding for capital expenditure by targeted rate and fees and charges is based on the same rationale as that for operational expenditure.

Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected. Some older resource consents, relating to development that has not yet proceeded, have been assessed for a financial contribution for reserves under the Resource Management Act 1991. These financial contributions will be used to fund capital expenditure which falls within the requirements of that Act.

Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.



## Coromandel-Colville Community Spaces and Development Activity

This is a **new ‘activity’** combining all of the previous Community Spaces activities for the Coromandel-Colville community board area.

### What we do

In the Coromandel-Colville Community Board Area, the types of community space and development services include:

- cemeteries
- community centres and halls
- public conveniences
- harbour facilities
- libraries
- parks and reserves.

The airfields and swimming pool services are *not* provided for by the Council in the Coromandel-Colville community board area.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows. While the wording of some of the statements may have changed from that in the 2012-2022 Ten Year Plan, actual service levels have not changed.

2012-2022 TYP Activity	Level of Service
Cemeteries	This service statement has changed significantly: <ul style="list-style-type: none"><li>• To provide cemeteries that are tidy and well maintained spaces</li></ul>
Community Centres & Halls	The extent to which these services have changed is unclear: <ul style="list-style-type: none"><li>• Availability of community centres and hall facilities for community activities and events</li><li>• To provide community centres and halls that are well maintained</li></ul>
Harbour Facilities	These service statements have changed significantly: <ul style="list-style-type: none"><li>• To provide harbour facilities that are well maintained.</li></ul>
Libraries	These services statements do not appear to have changed significantly: <ul style="list-style-type: none"><li>• To ensure provision of libraries and services to meet community needs</li><li>• The Council provides library facilities for customers to access library services</li><li>• Customers have access to a range of current information in both print and digital format</li><li>• A constant choice of new materials and current information is available throughout the year</li><li>• The district libraries provide programmes for people to improve reading and literacy skills</li><li>• To provide libraries that meets customer requirements.</li></ul>
Parks & Reserves	These service statements have changed significantly: <ul style="list-style-type: none"><li>• To provide park and reserve assets that are well maintained</li></ul>
Public Conveniences	This service statement has changed moderately: <ul style="list-style-type: none"><li>• To provide public conveniences that are safe for use.</li></ul>
Swimming Pools	Refer to the Grants and Remissions activity

### How it contributes to achieving the outcomes we are seeking

The services are considered to collectively contribute to the Council outcomes as follows:

Council Outcome	The activity...
<b>A prosperous district</b>	-
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• contributes to providing infrastructure to help build healthy communities</li><li>• contributes to respecting and nurturing a local sense of place and promoting and valuing the district's historical and cultural heritage</li><li>• contributes to supporting a range of recreation and leisure opportunities</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• contributes to maximising economic opportunities from the Peninsula's natural setting.</li></ul>

### Does the activity generate benefits to the community as a whole (District wide)?

While this activity may provide some benefits to the District as a whole, it is intended to primarily benefit local communities (as defined by community board areas (CBA)) within which the services are based. The need for and level of benefit from services are identified by community boards for the area they each govern.

Exceptions include:

- public conveniences which benefit visitors and tourists from outside the district and from other parts of the district, as well as communities benefitting from the environmental protection afforded by proper management of wastes, and
- libraries are considered to be of benefit to the whole District as informed literate individuals contribute to the social and economic wellbeing of the District and libraries play an important role in this process.

### Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?

As above, this activity is intended to primarily benefit local communities within which the services are based.

Beneficiaries may include the following communities:

- people who relate to and are interested in their local cemetery from a historical point of view or respecting those who have passed
- local communities (CBA) which have access to a community centre and/or hall venue for public meetings and engagement
- users of public conveniences
- local communities (CBA) which benefit from proper management of human wastes
- local communities (CBA) which benefit from attractive harbours and associated recreational facilities
- commercial enterprises which use the harbour assets (such as aquaculture operators, ferry and barge operators, tourism operators) and local communities which benefit indirectly from the resulting economic viability
- boat users (both resident and non-resident)
- local communities (CBA) who access libraries
- students and parents of students using school holiday programmes and school visits
- residents and visitors making use of free internet access
- local communities (CBA) who benefit from the 'sense of place' created by, and have best access to, the parks and reserves in their area
- visitors and tourists using parks and reserves and value the attractiveness provided by open spaces and the recreational facilities provided

- people who benefit from spending by visitors and tourists attracted to the District as a destination.

### **Does the activity benefit individuals (and if so, who)?**

Benefits of this activity are potentially received by the following individuals:

- individuals and families provided with a ready interment site
- researchers of genealogy
- those hiring community centres and halls for sporting or cultural purposes and social events
- users of public conveniences
- private recreational boat users
- aquaculture barge operators
- ferry operators
- tourism charter boats
- those accessing reading and literacy services
- library resource borrowers
- sporting and recreational groups which have right of use of parts of reserves.

It is not always economic to identify and charge the above individual users in all cases.

### **What is the period in or over which benefits will occur?**

Some of the benefits of this activity are immediate in nature (e.g. borrowing books from libraries for a short term period) while others are long-term (e.g. ongoing ability to use library services into the future, access to permanent interment facilities).

The support for community owned and managed halls is likely to have a limited period of direct benefits as the Council is proposing to exit involvement.

### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Those who are considered to contribute to the need for Council to carry out this activity include:

- the government in its setting of legislative requirements (for some activities)
- those who intend to use a burial plot in the district and do not have access to a private cemetery
- those requiring indoor venues to hold or attend social or community events or meetings
- residents of the district who use public convenience facilities in their local communities and/or other parts of the district
- visitors and tourists who use public conveniences
- members of the District who require harbour facilities for recreational or transport uses
- visitors to the District who require access by boat or harbour facilities during their stay
- businesses that require transport to or from the District of goods or services by boat
- businesses that require access to and from marine areas to carry out their operations
- residents and ratepayers who require access to books and other library resources
- groups and individuals requiring outdoor venues and facilities for sports, social and recreational activities
- local communities (CBA) which desire the aesthetic, recreational and place-making attributes of parks and reserves
- future users of the service who will benefit from existing assets
- those who undertake or demand further development in the District, thereby increasing the demand for provision of the service and any related assets.

### What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?

It is not considered economic to rate for this activity separately and there would be little benefit in doing so. As a result it is amalgamated with other activities to reduce collection costs. It is, however, practical to collect fees and charges separately as users are identified.

### Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?

Some user charges can be collected via:

- charges for plots and internment services to individuals
- hireage of community centres and halls (although the Council takes into consideration the competition from other venues)
- the Department of Internal Affairs for the upkeep of the parts of cemeteries preserved for eligible service men and women although these are relatively minor and cannot be anticipated in advance
- wharfage levies, boat ramp and jetty user fees and user fees for boat shed use
- borrowing and photocopying fees at libraries
- fines for overdue library items
- formal leases with sporting bodies and other groups and individuals in some cases
- user fees for swimming pools

The Council is required by law to provide free membership to all district residents.

When setting user fees or charges the Council considers the ability of community groups and other users to pay.

### How is the activity proposed to be funded in the 2105-2025 Ten Year Plan?

**Operating expenditure** for this activity (covering all services) is funded as shown:

Funding Portion	
Fees and Charges	Low
<b>Rates</b>	
Targeted Rate – Land Value – Board	Medium
Targeted Rate – Fixed Charge – Board	Medium

The above represents a new funding structure for the new activity group and activities. Previously all services were grouped separately in the form of activities. Because this approach enables community boards to set services at a level specific to their community board area, the Council has adopted a general principle that these activities will be locally funded where direct users cannot be identified and charged. In addition, the Council considers that the benefits received by local communities are greater than those received by the District.

The Council has identified it appropriate to fund each of the Community Space and Development activities as follows:

- fees and charges are collected where feasible.
- the remainder is funded by targeted rate to the relevant local community board area, reflecting that the benefit is received by those who live closest to the service. The part based on land-value recognises that the value of property reflects the degree to which ratepayers benefit from and/or exacerbate the need for the activity.

Major changes resulting from this new funding arrangement are as follows:

- cemetery services were previously funded in part through district rating
- public conveniences were previously funded in full through district rating
- libraries were previously funded in part through district rating.

**Capital expenditure** is funded as shown:

	ILOS & Renewal	Additional Capacity
General Rate - Land Value - District	No	No
Uniform Annual General Charge (less investment income subsidy)	No	No
Targeted Rate	Yes	No
Lump Sum Contributions	No	No
Fees and Charges	Yes	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	No	Yes
Grants and Subsidies	No	No
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets is considered to benefit existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs.

Funding for capital expenditure by targeted rate and fees and charges is based on the same rationale as that for operational expenditure.

Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected. Some older resource consents, relating to development that has not yet proceeded, have been assessed for a financial contribution for reserves under the Resource Management Act 1991. These financial contributions will be used to fund capital expenditure which falls within the requirements of that Act.

Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

## Mercury Bay Community Spaces and Development Activity

This is a **new activity** combining all of the previous Community Spaces activities for the Mercury Bay community board area.

In the Mercury Bay Community Board Area, the types of community space and development services include:

- cemeteries
- community centres and halls
- public conveniences
- harbour facilities
- libraries
- parks and reserves.

The airfields and swimming pool services are *not* provided for by the Council in the Mercury Bay community board area.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows. While the wording of some of the statements may have changed from that in the 2012-2022 Ten Year Plan, actual service levels have not changed.

2012-2022 TYP Activity	Level of Service
Cemeteries	<ul style="list-style-type: none"><li>• To provide cemeteries that are tidy and well maintained spaces</li></ul>
Community Centres & Halls	<ul style="list-style-type: none"><li>• Availability of community centres and hall facilities for community activities and events</li><li>• To provide community centres and halls that are well maintained</li></ul>
Harbour Facilities	<ul style="list-style-type: none"><li>• To provide harbour facilities that are well maintained.</li></ul>
Libraries	<ul style="list-style-type: none"><li>• To ensure provision of libraries and services to meet community needs</li><li>• The Council provides library facilities for customers to access library services</li><li>• Customers have access to a range of current information in both print and digital format</li><li>• A constant choice of new materials and current information is available throughout the year</li><li>• The district libraries provide programmes for people to improve reading and literacy skills</li><li>• To provide libraries that meets customer requirements.</li></ul>
Parks & Reserves	<ul style="list-style-type: none"><li>• To provide park and reserve assets that are well maintained</li></ul>
Public Conveniences	<ul style="list-style-type: none"><li>• To provide public conveniences that are safe for use.</li></ul>
Swimming Pools	Refer to the Grants and Remissions activity

## How it contributes to achieving the outcomes we are seeking

The services are considered to collectively contribute to the Council outcomes as follows:

Council Outcome	The activity...
<b>A prosperous district</b>	-
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• contributes to providing infrastructure to help build healthy communities</li><li>• contributes to respecting and nurturing a local sense of place and promoting and valuing the district's historical and cultural heritage</li><li>• contributes to supporting a range of recreation and leisure opportunities</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• contributes to maximising economic opportunities from the Peninsula's natural setting.</li></ul>

## Does the activity generate benefits to the community as a whole (District wide)?

While this activity may provide some benefits to the District as a whole, it is intended to primarily benefit local communities (as defined by community board areas (CBA)) within which the services are based. The need for and level of benefit from services are identified by community boards for the area they each govern.

Exceptions include:

- public conveniences which benefit visitors and tourists from outside the district and from other parts of the district, as well as communities benefitting from the environmental protection afforded by proper management of wastes, and
- libraries are considered to be of benefit to the whole District as informed literate individuals contribute to the social and economic wellbeing of the District and libraries play an important role in this process.

## Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?

As above, this activity is intended to primarily benefit local communities within which the services are based.

Beneficiaries may include the following communities:

- people who relate to and are interested in their local cemetery from a historical point of view or respecting those who have passed
- local communities (CBA) which have access to a community centre and/or hall venue for public meetings and engagement
- users of public conveniences
- local communities (CBA) which benefit from proper management of human wastes
- local communities (CBA) which benefit from attractive harbours and associated recreational facilities
- commercial enterprises which use the harbour assets (such as aquaculture operators, ferry and barge operators, tourism operators) and local communities which benefit indirectly from the resulting economic viability
- boat users (both resident and non-resident)
- local communities (CBA) who access libraries
- students and parents of students using school holiday programmes and school visits
- residents and visitors making use of free internet access
- local communities (CBA) who benefit from the 'sense of place' created by, and have best access to, the parks and reserves in their area
- visitors and tourists using parks and reserves and value the attractiveness provided by open spaces and the recreational facilities provided
- people who benefit from spending by visitors and tourists attracted to the District as a destination.

### **Does the activity benefit individuals (and if so, who)?**

Benefits of this activity are potentially received by the following individuals:

- individuals and families provided with a ready interment site
- researchers of genealogy
- those hiring community centres and halls for sporting or cultural purposes and social events
- users of public conveniences
- private recreational boat users
- aquaculture barge operators
- ferry operators
- tourism charter boats
- those accessing reading and literacy services
- library resource borrowers
- sporting and recreational groups which have right of use of parts of reserves.

It is not always economic to identify and charge the above individual users in all cases.

### **What is the period in or over which benefits will occur?**

Some of the benefits of this activity are immediate in nature (e.g. borrowing books from libraries for a short term period) while others are long-term (e.g. ongoing ability to use library services into the future, access to permanent interment facilities).

The support for community owned and managed halls is likely to have a limited period of direct benefits as the Council is proposing to exit involvement.

### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Those who are considered to contribute to the need for Council to carry out this activity include:

- the government in its setting of legislative requirements (for some activities)
- those who intend to use a burial plot in the district and do not have access to a private cemetery
- those requiring indoor venues to hold or attend social or community events or meetings
- residents of the district who use public convenience facilities in their local communities and/or other parts of the district
- visitors and tourists who use public conveniences
- members of the District who require harbour facilities for recreational or transport uses
- visitors to the District who require access by boat or harbour facilities during their stay
- businesses that require transport to or from the District of goods or services by boat
- businesses that require access to and from marine areas to carry out their operations
- residents and ratepayers who require access to books and other library resources
- groups and individuals requiring outdoor venues and facilities for sports, social and recreational activities
- local communities (CBA) which desire the aesthetic, recreational and place-making attributes of parks and reserves
- future users of the service who will benefit from existing assets
- those who undertake or demand further development in the District, thereby increasing the demand for provision of the service and any related assets.



### What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?

It is not considered economic to rate for this activity separately and there would be little benefit in doing so. As a result it is amalgamated with other activities to reduce collection costs. It is, however, practical to collect fees and charges separately as users are identified.

### Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?

Some user charges can be collected via:

- charges for plots and internment services to individuals
- hireage of community centres and halls (although the Council takes into consideration the competition from other venues)
- the Department of Internal Affairs for the upkeep of the parts of cemeteries preserved for eligible service men and women although these are relatively minor and cannot be anticipated in advance
- wharfage levies, boat ramp and jetty user fees and user fees for boat shed use
- borrowing and photocopying fees at libraries
- fines for overdue library items
- 'Friends of the Library' group funding for non-core resources (in Thames and Mercury Bay)
- formal leases with sporting bodies and other groups and individuals for reserve use in some cases.

The Council is required by law to provide free membership to all district residents.

When setting user fees or charges the Council considers the ability of community groups and other users to pay.

### How is the activity proposed to be funded in the 2105-2025 Ten Year Plan?

**Operating expenditure** for this activity (covering all services) is funded as shown:

Funding Portion	
Fees and Charges	Low
<b>Rates</b>	
Targeted Rate – Land Value – Board	Medium
Targeted Rate – Fixed Charge – Board	Medium

The above represents a new funding structure for the new activity group and activities. Previously all services were grouped separately in the form of activities. Because this approach enables community boards to set services at a level specific to their community board area, the Council has adopted a general principle that these activities will be locally funded where direct users cannot be identified and charged. In addition, the Council considers that the benefits received by local communities are greater than those received by the District.

The Council has identified it appropriate to fund each of the Community Space and Development activities as follows:

- fees and charges are collected where feasible.
- the remainder is funded by targeted rate to the relevant local community board area, reflecting that the benefit is received by those who live closest to the service. The part based on land-value recognises that the value of property reflects the degree to which ratepayers benefit from and/or exacerbate the need for the activity.

Major changes resulting from this new funding arrangement are as follows:

- cemetery services were previously funded in part through district rating
- public conveniences were previously funded in full through district rating

- libraries were previously funded in part through district rating.

**Capital expenditure** is funded as shown:

	ILOS & Renewal	Additional Capacity
General Rate - Land Value - District	No	No
Uniform Annual General Charge (less investment income subsidy)	No	No
Targeted Rate	Yes	No
Lump Sum Contributions	No	No
Fees and Charges	Yes	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	No	Yes
Grants and Subsidies	No	No
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets is considered to benefit existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs.

Funding for capital expenditure by targeted rate and fees and charges is based on the same rationale as that for operational expenditure.

Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected. Some older resource consents, relating to development that has not yet proceeded, have been assessed for a financial contribution for reserves under the Resource Management Act 1991. These financial contributions will be used to fund capital expenditure which falls within the requirements of that Act.

Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

## Tairua-Pauanui Community Spaces and Development Activity

This is a **new activity** combining all of the previous Community Spaces activities for the Tairua-Pauanui community board area.

In the Tairua-Pauanui Community Board Area, the types of community space and development services include:

- airfields
- cemeteries
- community centres and halls
- public conveniences
- harbour facilities
- libraries
- parks and reserves.

The swimming pool service is *not* provided for by the Council in the Tairua-Pauanui community board area.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows. While the wording of some of the statements may have changed from that in the 2012-2022 Ten Year Plan, actual service levels have not changed.

2012-2022 TYP Activity	Level of Service
Airfields	<ul style="list-style-type: none"><li>• Airfields that are safe for small aircraft</li><li>• Sustainably managing the airfield revenue</li></ul>
Cemeteries	<ul style="list-style-type: none"><li>• To provide cemeteries that are tidy and well maintained spaces</li></ul>
Community Centres & Halls	<ul style="list-style-type: none"><li>• Availability of community centres and hall facilities for community activities and events</li><li>• To provide community centres and halls that are well maintained</li></ul>
Harbour Facilities	<ul style="list-style-type: none"><li>• To provide harbour facilities that are well maintained.</li></ul>
Libraries	<ul style="list-style-type: none"><li>• To ensure provision of libraries and services to meet community needs</li><li>• The Council provides library facilities for customers to access library services</li><li>• Customers have access to a range of current information in both print and digital format</li><li>• A constant choice of new materials and current information is available throughout the year</li><li>• The district libraries provide programmes for people to improve reading and literacy skills</li><li>• To provide libraries that meets customer requirements.</li></ul>
Parks & Reserves	<ul style="list-style-type: none"><li>• To provide park and reserve assets that are well maintained</li></ul>
Public Conveniences	<ul style="list-style-type: none"><li>• To provide public conveniences that are safe for use.</li></ul>

## How it contributes to achieving the outcomes we are seeking

The services are considered to collectively contribute to the Council outcomes as follows:

Council Outcome	The activity...
<b>A prosperous district</b>	-
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• contributes to providing infrastructure to help build healthy communities</li><li>• contributes to respecting and nurturing a local sense of place and promoting and valuing the district's historical and cultural heritage</li><li>• contributes to supporting a range of recreation and leisure opportunities</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• contributes to maximising economic opportunities from the Peninsula's natural setting.</li></ul>

## Does the activity generate benefits to the community as a whole (District wide)?

While this activity may provide some benefits to the District as a whole, it is intended to primarily benefit local communities (as defined by community board areas (CBA)) within which the services are based. The need for and level of benefit from services are identified by community boards for the area they each govern.

Exceptions include:

- public conveniences which benefit visitors and tourists from outside the district and from other parts of the district, as well as communities benefitting from the environmental protection afforded by proper management of wastes, and
- libraries are considered to be of benefit to the whole District as informed literate individuals contribute to the social and economic wellbeing of the District and libraries play an important role in this process.

## Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?

As above, this activity is intended to primarily benefit local communities within which the services are based.

Beneficiaries may include the following communities:

- local communities (CBA) which use opportunities to access air transport
- local communities (CBA) which receive financial benefits of air based tourism activity
- local communities (CBA) which receive emergency response via air
- local communities (CBA) which receive financial benefits of business activity associated with airfields
- people who relate to and are interested in their local cemetery from a historical point of view or respecting those who have passed
- local communities (CBA) which have access to a community centre and/or hall venue for public meetings and engagement
- users of public conveniences
- local communities (CBA) which benefit from proper management of human wastes
- local communities (CBA) which benefit from attractive harbours and associated recreational facilities
- commercial enterprises which use the harbour assets (such as aquaculture operators, ferry and barge operators, tourism operators) and local communities which benefit indirectly from the resulting economic viability
- boat users (both resident and non-resident)
- local communities (CBA) who access libraries
- students and parents of students using school holiday programmes and school visits
- residents and visitors making use of free internet access

- local communities (CBA) who benefit from the 'sense of place' created by, and have best access to, the parks and reserves in their area
- visitors and tourists using parks and reserves and value the attractiveness provided by open spaces and the recreational facilities provided
- people who benefit from spending by visitors and tourists attracted to the District as a destination.

### **Does the activity benefit individuals (and if so, who)?**

Benefits of this activity are potentially received by the following individuals:

- airfield clubs and groups
- users of air services
- users of aircraft accommodation
- individuals and families provided with a ready interment site
- researchers of genealogy
- those hiring community centres and halls for sporting or cultural purposes and social events
- users of public conveniences
- private recreational boat users
- aquaculture barge operators
- ferry operators
- tourism charter boats
- those accessing reading and literacy services
- library resource borrowers
- sporting and recreational groups which have right of use of parts of reserves.

It is not always economic to identify and charge the above individual users in all cases.

### **What is the period in or over which benefits will occur?**

Some of the benefits of this activity are immediate in nature (e.g. borrowing books from libraries for a short term period) while others are long-term (e.g. ongoing ability to use library services into the future, access to permanent interment facilities).

The support for community owned and managed halls is likely to have a limited period of direct benefits as the Council is proposing to exit involvement.

### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Those who are considered to contribute to the need for Council to carry out this activity include:

- the government in its setting of legislative requirements (for some activities)
- users of aircraft who wish to leave or enter the District by air or require accommodation for their aircraft
- those who send or receive goods or services to or from the District by air
- those who intend to use a burial plot in the district and do not have access to a private cemetery
- those requiring indoor venues to hold or attend social or community events or meetings
- residents of the district who use public convenience facilities in their local communities and/or other parts of the district
- visitors and tourists who use public conveniences
- members of the District who require harbour facilities for recreational or transport uses
- visitors to the District who require access by boat or harbour facilities during their stay
- businesses that require transport to or from the District of goods or services by boat

- businesses that require access to and from marine areas to carry out their operations
- residents and ratepayers who require access to books and other library resources
- groups and individuals requiring outdoor venues and facilities for sports, social and recreational activities
- local communities (CBA) which desire the aesthetic, recreational and place-making attributes of parks and reserves
- future users of the service who will benefit from existing assets
- those who undertake or demand further development in the District, thereby increasing the demand for provision of the service and any related assets.

### **What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

It is not considered economic to rate for this activity separately and there would be little benefit in doing so. As a result it is amalgamated with other activities to reduce collection costs. It is, however, practical to collect fees and charges separately as users are identified.

### **Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?**

Some user charges can be collected via:

- landing fees for airfields. The number of landings is too low for it to be economically viable to have the airfields fully staffed to manage all user charges. Landing fees can be collected at Pauanui airfield to an extent given staffing limitations. Groups such as aeroclubs can be identified and charged for lease of land and landing fees
- charges for plots and internment services to individuals
- hireage of community centres and halls (although the Council takes into consideration the competition from other venues)
- the Department of Internal Affairs for the upkeep of the parts of cemeteries preserved for eligible service men and women although these are relatively minor and cannot be anticipated in advance
- wharfage levies, boat ramp and jetty user fees and user fees for boat shed use
- borrowing and photocopying fees at libraries
- fines for overdue library items
- 'Friends of the Library' group funding for non-core resources
- formal leases with sporting bodies and other groups and individuals in some cases.

The Council is required by law to provide free membership to all district residents.

When setting user fees or charges the Council considers the ability of community groups and other users to pay.

### **How is the activity proposed to be funded in the 2105-2025 Ten Year Plan?**

**Operating expenditure** for this activity (covering all services) is funded as shown:

	<b>Funding Portion</b>
Fees and Charges	Low
<b>Rates</b>	
Targeted Rate – Land Value – Board	Medium
Targeted Rate – Fixed Charge – Board	Medium

The above represents a new funding structure for the new activity group and activities. Previously all services were grouped separately in the form of activities. Because this approach enables community boards to set

services at a level specific to their community board area, the Council has adopted a general principle that these activities will be locally funded where direct users cannot be identified and charged. In addition, the Council considers that the benefits received by local communities are greater than those received by the District.

The Council has identified it appropriate to fund each of the Community Space and Development activities as follows:

- fees and charges are collected where feasible.
- the remainder is funded by targeted rate to the relevant local community board area, reflecting that the benefit is received by those who live closest to the service. The part based on land-value recognises that the value of property reflects the degree to which ratepayers benefit from and/or exacerbate the need for the activity.

Major changes resulting from this new funding arrangement are as follows:

- airfield services did not previously have a fixed rating charge
- cemetery services were previously funded in part through district rating
- public conveniences were previously funded in full through district rating
- libraries were previously funded in part through district rating.

**Capital expenditure** is funded as shown:

	ILOS & Renewal	Additional Capacity
General Rate - Land Value - District	No	No
Uniform Annual General Charge (less investment income subsidy)	No	No
Targeted Rate	Yes	No
Lump Sum Contributions	No	No
Fees and Charges	Yes	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	No	Yes
Grants and Subsidies	No	No
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets is considered to benefit existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs.

Funding for capital expenditure by targeted rate and fees and charges is based on the same rationale as that for operational expenditure.

Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were

collected. Some older resource consents, relating to development that has not yet proceeded, have been assessed for a financial contribution for reserves under the Resource Management Act 1991. These financial contributions will be used to fund capital expenditure which falls within the requirements of that Act.

Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.



## Whangamata Community Spaces and Development Activity

This is a **new activity** combining all of the previous Community Spaces activities for the Whangamata community board area.

In the Whangamata Community Board Area, the types of community space and development services include:

- cemeteries
- community centres and halls
- public conveniences
- harbour facilities
- libraries
- parks and reserves.

Each of these service types (or funding components) are addressed separately below.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows. While the wording of some of the statements may have changed from that in the 2012-2022 Ten Year Plan, actual service levels have not changed.

2012-2022 TYP Activity	Level of Service
Cemeteries	<ul style="list-style-type: none"><li>• To provide cemeteries that are tidy and well maintained spaces</li></ul>
Community Centres & Halls	<ul style="list-style-type: none"><li>• Availability of community centres and hall facilities for community activities and events</li><li>• To provide community centres and halls that are well maintained</li></ul>
Harbour Facilities	<ul style="list-style-type: none"><li>• To provide harbour facilities that are well maintained.</li></ul>
Libraries	<ul style="list-style-type: none"><li>• To ensure provision of libraries and services to meet community needs</li><li>• The Council provides library facilities for customers to access library services</li><li>• Customers have access to a range of current information in both print and digital format</li><li>• A constant choice of new materials and current information is available throughout the year</li><li>• The district libraries provide programmes for people to improve reading and literacy skills</li><li>• To provide libraries that meets customer requirements.</li></ul>
Parks & Reserves	<ul style="list-style-type: none"><li>• To provide park and reserve assets that are well maintained</li></ul>
Public Conveniences	<ul style="list-style-type: none"><li>• To provide public conveniences that are safe for use.</li></ul>
Swimming Pools	Refer to the Grants and Remissions activity

## How it contributes to achieving the outcomes we are seeking

The services are considered to collectively contribute to the Council outcomes as follows:

Council Outcome	The activity...
<b>A prosperous district</b>	-
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• contributes to providing infrastructure to help build healthy communities</li><li>• contributes to respecting and nurturing a local sense of place and promoting and valuing the district's historical and cultural heritage</li><li>• contributes to supporting a range of recreation and leisure opportunities</li></ul>
<b>A clean and green district</b>	contributes to maximising economic opportunities from the Peninsula's natural setting.

## Does the activity generate benefits to the community as a whole (District wide)?

While this activity may provide some benefits to the District as a whole, it is intended to primarily benefit local communities (as defined by community board areas (CBA)) within which the services are based. The need for and level of benefit from services are identified by community boards for the area they each govern.

Exceptions include:

- public conveniences which benefit visitors and tourists from outside the district and from other parts of the district, as well as communities benefitting from the environmental protection afforded by proper management of wastes
- libraries are considered to be of benefit to the whole District as informed literate individuals contribute to the social and economic wellbeing of the District and libraries play an important role in this process.

## Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?

As above, this activity is intended to primarily benefit local communities within which the services are based.

Beneficiaries may include the following communities:

- people who relate to and are interested in their local cemetery from a historical point of view or respecting those who have passed
- local communities (CBA) which have access to a community centre and/or hall venue for public meetings and engagement
- users of public conveniences
- local communities (CBA) which benefit from proper management of human wastes
- local communities (CBA) which benefit from attractive harbours and associated recreational facilities
- commercial enterprises which use the harbour assets (such as aquaculture operators, ferry and barge operators, tourism operators) and local communities which benefit indirectly from the resulting economic viability
- boat users (both resident and non-resident)
- local communities (CBA) who access libraries
- students and parents of students using school holiday programmes and school visits
- residents and visitors making use of free internet access
- local communities (CBA) who benefit from the 'sense of place' created by, and have best access to, the parks and reserves in their area
- visitors and tourists using parks and reserves and value the attractiveness provided by open spaces and the recreational facilities provided
- people who benefit from spending by visitors and tourists attracted to the District as a destination.

### **Does the activity benefit individuals (and if so, who)?**

Benefits of this activity are potentially received by the following individuals:

- individuals and families provided with a ready interment site
- researchers of genealogy
- those hiring community centres and halls for sporting or cultural purposes and social events
- users of public conveniences
- private recreational boat users
- aquaculture barge operators
- ferry operators
- tourism charter boats
- those accessing reading and literacy services
- library resource borrowers
- sporting and recreational groups which have right of use of parts of reserves.

It is not always economic to identify and charge the above individual users in all cases.

### **What is the period in or over which benefits will occur?**

Some of the benefits of this activity are immediate in nature (e.g. borrowing books from libraries for a short term period) while others are long-term (e.g. ongoing ability to use library services into the future, access to permanent interment facilities).

The support for community owned and managed halls is likely to have a limited period of direct benefits as the Council is proposing to exit involvement.

### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Those who are considered to contribute to the need for Council to carry out this activity include:

- the government in its setting of legislative requirements (for some activities)
- those who intend to use a burial plot in the district and do not have access to a private cemetery
- those requiring indoor venues to hold or attend social or community events or meetings
- residents of the district who use public convenience facilities in their local communities and/or other parts of the district
- visitors and tourists who use public conveniences
- members of the District who require harbour facilities for recreational or transport uses
- visitors to the District who require access by boat or harbour facilities during their stay
- businesses that require transport to or from the District of goods or services by boat
- businesses that require access to and from marine areas to carry out their operations
- residents and ratepayers who require access to books and other library resources
- groups and individuals requiring outdoor venues and facilities for sports, social and recreational activities
- local communities (CBA) which desire the aesthetic, recreational and place-making attributes of parks and reserves
- future users of the service who will benefit from existing assets
- those who undertake or demand further development in the District, thereby increasing the demand for provision of the service and any related assets.

### What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?

It is not considered economic to rate for this activity separately and there would be little benefit in doing so. As a result it is amalgamated with other activities to reduce collection costs. It is, however, practical to collect fees and charges separately as users are identified.

### Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?

Some user charges can be collected via:

- charges for plots and internment services to individuals
- hireage of community centres and halls (although the Council takes into consideration the competition from other venues)
- the Department of Internal Affairs for the upkeep of the parts of cemeteries preserved for eligible service men and women although these are relatively minor and cannot be anticipated in advance
- wharfage levies, boat ramp and jetty user fees and user fees for boat shed use
- borrowing and photocopying fees at libraries
- fines for overdue library items
- formal leases with sporting bodies and other groups and individuals in some cases.

The Council is required by law to provide free membership to all district residents.

When setting user fees or charges the Council considers the ability of community groups and other users to pay.

### How is the activity proposed to be funded in the 2105-2025 Ten Year Plan?

**Operating expenditure** for this activity (covering all services) is funded as shown:

	Funding Portion
Fees and Charges	Low
<b>Rates</b>	
Targeted Rate – Land Value – Board	Medium
Targeted Rate – Fixed Charge – Board	Medium

The above represents a new funding structure for the new activity group and activities. Previously all services were grouped separately in the form of activities. Because this approach enables community boards to set services at a level specific to their community board area, the Council has adopted a general principle that these activities will be locally funded where direct users cannot be identified and charged. In addition, the Council considers that the benefits received by local communities are greater than those received by the District.

The Council has identified it appropriate to fund each of the Community Space and Development activities as follows:

- fees and charges are collected where feasible.
- the remainder is funded by targeted rate to the relevant local community board area, reflecting that the benefit is received by those who live closest to the service. The part based on land-value recognises that the value of property reflects the degree to which ratepayers benefit from and/or exacerbate the need for the activity.

Major changes resulting from this new funding arrangement are as follows:

- cemetery services were previously funded in part through district rating
- public conveniences were previously funded in full through district rating
- libraries were previously funded in part through district rating.

**Capital expenditure** is funded as shown:

	ILOS & Renewal	Additional Capacity
General Rate - Land Value - District	No	No
Uniform Annual General Charge (less investment income subsidy)	Yes	No
Targeted Rate	Yes	No
Lump Sum Contributions	No	No
Fees and Charges	Yes	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	No	Yes
Grants and Subsidies	No	No
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets is considered to benefit existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs.

Funding for capital expenditure by targeted rate and fees and charges is based on the same rationale as that for operational expenditure.

Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected. Some older resource consents, relating to development that has not yet proceeded, have been assessed for a financial contribution for reserves under the Resource Management Act 1991. These financial contributions will be used to fund capital expenditure which falls within the requirements of that Act.

Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

## Roads and Footpaths Activity Group

This activity group only comprises of the one Roads and Footpaths activity. This activity is the result of **combining** the previous **District and Local Transportation activities in full**.

### What we do

This activity provides for people and goods to move safely around our District. It includes the development and maintenance of a road network. Our road transportation network currently comprises 400km of sealed roads, over 250km of unsealed roads, and approximately 150 bridges and much other associated infrastructure such as signage. Beyond the provision of roads, helping people get around safely and efficiently is also a key focus.

This activity does not cover the entire roading corridor. State highways are managed by the New Zealand Transport Agency.

The Local Transportation component of the activity encompasses functions that enable people to move around within local communities (such as footpaths and town centre upgrades). It complements the provision of roads through a range of services from providing for pedestrian access and movement to contributing to vibrant and pleasant town centres.

### The services we provide

The services provided are as follows.

1. The Council will deliver a road network that enables people and goods to move around the District
2. The Council will ensure its roads are safe
3. Disruptions are managed to ensure that traffic flows are not unduly affected
4. The design, maintenance and management of roads ensures they are in good condition and fit for purpose
5. The Hauraki Rail Trail Cycleway Project provides for increased visitor activity
6. Footpaths can be used to get around town
7. Street lighting is provided in urban areas and major intersections
8. People can access a pleasant town centre
9. Vegetation on urban road berms, maintained by the Council, are mowed regularly (excluding private berms)
10. Public transport is provided in peak summer holiday periods - Mercury Bay South.

These services have not changed from the 2012-2022 Ten Year Plan.

In terms of funding this activity, two distinct activity components have been identified which reflect the geographical focus of the different services:

1. [district services](#) (services 1-5 above)
2. [local \(community board area\) services](#) (services 6-10 above).

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Roads & Footpaths activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• continues to provide transport and other essential infrastructure services that enable our economy to grow.</li></ul>
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• provides infrastructure to help build healthy communities.</li><li>• supports a range of lifestyle, leisure and recreation opportunities.</li><li>• makes it easier to get around the Peninsula.</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• helps balance environmental protection with accessibility.</li></ul>

## **Does the activity generate benefits to the community as a whole (District wide)?**

### **District component**

The provision of an effective and well-planned transportation infrastructure is an expectation of a modern motorised society, and the lack of an efficient system would be detrimental to the District as a whole. The Council views this component of the activity as essential to the District, and considers the outcomes achieved through delivering it to be of importance and benefit to the District as a whole.

Residents, businesses and visitors all benefit from having a roading network that is safe, convenient and comfortable for the passage of all classes of users. Regardless of road usage, all residents are likely to receive some benefit from roads as they provide vital networks for the community (such as emergency services, school buses and goods to get around). Even housebound people benefit from the availability of roads through the services that visit and supply them. It would be difficult to identify any non-users of the roading network as most parts of a modern society rely to some degree on transport.

The Council views the transportation network as an 'integrated' whole (rather than as a number of different networks serving different geographical areas) as users are able to move freely over all parts of the network depending upon their transportation need.

### **Local component**

There is a District-wide benefit in that this service is provided to all towns within the District providing a pleasing and safe environment in which to live and work. However, the benefits provided are mainly accessed by local communities.

## **Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

### **District component**

All sectors of our communities benefit from the transportation activity. It is not easy to identify them as being different from the public in general. While visitors and tourists benefit from and cause capital expenditure in most of the District's community facilities and infrastructure, including District Transportation, expenditure cannot be cost-effectively determined or recovered from these groups.

### **Local component**

The activity provides for street lighting and footpaths in local areas as well as town centre upgrades. As this work is generally of a local nature, the benefits of this activity apply primarily to local communities.

While visitors and tourists benefit from and cause capital expenditure in most of the District's community facilities and infrastructure, including local transportation, expenditure cannot be cost-effectively determined or recovered from these groups.

## **Does the activity benefit individuals (and if so, who)?**

### **District component**

All individuals benefit from the roading network, although some more than others. It could be said that motorists receive the most benefit because without cars and trucks, roading could be provided much more cheaply. However, because the benefits of this activity are so widespread, it is considered most appropriate to fund it at a District level.

Certain roads provide access to individuals, or small groups of people rather than the community at large and the Council must weigh up the costs and benefits of significant expenditure on roads that can be seen to benefit very few people.

### **Local component**

There are benefits to individuals in most of the services provided within this activity. The use of footpaths, sealed dead-end streets, signage and street lighting is all enjoyed by individuals. However, because the activity

provides overall benefits to the whole community, it is not practical to identify all the individual beneficiaries and recover costs on that basis.

### **What is the period in or over which benefits will occur?**

The benefits of the district and local roads and footpaths should occur in the short- to long-term. Users will be able to use vehicle transport on a maintained existing road network immediately and in the future. Long-term benefits also include providing certainty for the transportation of goods and services within the District and land-use development.

### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

#### **District component**

The benefits of this activity, and the demand for it, are spread widely across the community. Most individuals use the transport network directly or receive goods and services delivered by it.

Those individuals and groups who are considered to contribute to the need for the Council to carry out this activity include:

- all motorists and other road users, including cyclists, who travel within the District;
- those who create a demand for the transportation of goods and services within the District;
- future users of the service who will benefit from existing assets;
- those who undertake or demand further development in the District, thereby increasing the demand for the service and related assets.

However the Council also considers that many of the local exacerbators of this activity component are outside of the local community's control for example, land structure on and around which road networks are formed and maintained.

#### **Local component**

The benefits of this activity are experienced most by local communities who generally access local centres most often and have a strong interest in attractive, convenient and safe townships and urban areas. Those individuals and groups considered to contribute to the need for the Council to carry out this activity include:

- residents, workers, and other local users of settlements and townships who require convenient access to facilities and a pleasant environment within these areas to carry out their normal business;
- visitors and tourists who require attractive and accessible town centres;
- future users of the service who will benefit from existing assets;
- those who undertake or demand further development in the District, thereby increasing the demand for the service and related assets.

### **What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

There would be no benefit in funding the rates component of this activity separately from other activities except that the funding would be easier to distinguish from those others. There would, however, be an increased cost in collecting it separately. The actual rating mechanisms used are amalgamated with other activities to reduce the costs of collection.

### **Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?**

#### **District component**

New Zealand Transport Agency provides substantial funding for the transportation activity, in particular the roading network, by way of subsidy. This currently varies between 43% and 53% depending on the type of work being carried out. In times of excessive maintenance and repair because of flood damage the subsidy may go higher.



As such, from an equity perspective Council considers it appropriate not to fully fund from rates the depreciation on the subsidised portion of roading works, as Council expects to continue receiving central government subsidy (from the New Zealand Transport Agency) at the time these assets need to be replaced. As a result the net cost to the ratepayer will be less than the full replacement cost.

The Council also shares in a contribution from central government through the petroleum tax scheme, which is credited against the cost of maintaining the roading network.

It is not considered feasible to charge user fees directly to road users. While the technology is available to determine use by individual motorists, no mechanism is in place for billing. In some cases it is possible to levy toll charges but it is not considered appropriate to do so in the Thames-Coromandel District over the foreseeable future.

#### Local component

External subsidies are available from New Zealand Transport Authority for capital expenditure (street light replacement, street light repairs and footpath construction) in some situations. User charges can be applied to applications for vehicle crossings as the beneficiary can be easily identified. For the most part though, there is no suitable mechanism for identifying and charging individuals or groups of individuals.

#### How is the activity funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	District Component	Local Component
Fees and Charges		
<b>Rates</b>		
General Rate - Land Value - District	Medium	
Uniform Annual General Charge - District	Low	
Targeted Rate - Capital Value - District	Medium	
Targeted Rate – Land Value – Board		High
Targeted Rate – Fixed Charge – Board		Low

#### District component

Subsidies are applied to this activity as and when they are available. The balance is funded by district-wide rates recognising the widespread nature of the benefits of the roading network. Most of this rates component is charged by land value or capital value because of affordability issues for some.

#### Local component

Subsidies are applied to this activity as and when they are available. The balance of funding is obtained via targeted rates. The main benefits are primarily delivered to local communities and so a community board targeted rate is considered the best way to fund this activity. The land value rate portion is applied to recognise that these works contribute to the value of individual properties.

**Capital expenditure** is funded as shown:

#### District component:

	ILOS & Renewal	Additional Capacity
General Rate	Yes	No
Uniform Annual General Charge (less investment income subsidy)	Yes	No
Targeted Rate	Yes	No
Lump Sum Contributions	No	No
Fees and Charges	No	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	No	No
Grants and Subsidies	Yes	Yes

	ILOS & Renewal	Additional Capacity
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs.

The Council is mindful of the fact that existing ratepayers fund the depreciation charged on additional capacity provided until such time as new ratepayers take up that capacity and begin paying for the depreciation themselves.

Funding for capital expenditure by general rates, UAGC and targeted rates is based on the same rationale as that for operational expenditure. As and when they become available, grants and subsidies are used to maintain and replace assets.

The use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

#### Local component:

	ILOS & Renewal	Additional Capacity
General Rate	No	No
Uniform Annual General Charge (less investment income subsidy)	No	No
Targeted Rate	Yes	No
Lump Sum Contributions	No	No
Fees and Charges	No	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	Yes	Yes
Grants and Subsidies	Yes	Yes
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs.

Funding for capital expenditure by targeted rates is based on the same rationale as that for operational expenditure. As and when they become available, grants and subsidies used to maintain and replace assets.

Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

Financial contributions may be levied to developers to contribute to the capital expenditure associated with addressing the localised effect of shortage of car parking as a result of a particular development.

## Solid Waste Activity Group

This activity group only comprises the one **Rubbish and Recycling** activity.

## Rubbish and Recycling Activity

This activity has been **renamed** from Solid Waste as per the 2012-2022 Ten Year Plan to Rubbish and Recycling.

### What we do

The overall scope of the solid waste activity is to collect, recycle, reuse, recover or dispose of refuse and recyclables from households and businesses in the District. In addition to a weekly kerbside refuse and fortnightly recyclables collection service, the Council manages closed landfill sites and operates transfer stations where waste and recycling can be dropped off.

The activity is complemented by waste minimisation and public education services, planning, policy, development and advocacy. The Council also actively supports reuse centres managed by Trusts including the Seagull Centre in Thames, and a new reuse centre is planned for Coromandel.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows:

- rubbish and recycling kerbside pickup services are provided to properties in all urban and most rural areas.
- appropriate facilities and services are provided for the disposal of waste
- waste minimisation practices to reduce the amount of waste going to landfill are promoted
- litter bins are provided for and serviced in public spaces
- closed landfill sites are maintained.

These services have not changed from the 2012-2022 Ten Year Plan.

In terms of funding this activity, two distinct activity components have been identified:

1. community litter and landfill
2. Other - including rubbish and recycling collection and disposal, waste minimisation promotion

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Rubbish and Recycling activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• The business, tourism and retail sectors are all supported both through effective direct service provision, and services for visitors such as drop-off sites and public place recycling.</li></ul>
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• Provides effective waste management services, thereby contributing to a safe and healthy living environment.</li><li>• Ensures high standards of public health.</li><li>• Encourages community responsibility through waste minimisation education.</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• Helps protect our unique environment and natural ecosystems by enabling good waste management and minimisation, by ensuring disposal of waste in ways that minimises harm, and managing closed landfills.</li></ul>

### Does the activity generate benefits to the community as a whole (District wide)?

The wider district community benefits from the safeguarding of public health and the cleaner environment that result from the provision of waste collection, public litter bins, and centralised disposal. The activity also contributes to a cleaner environment by reducing the amount of waste to landfill through promoting more environmentally-friendly use and disposal of materials, e.g. recycling, and managing closed landfills.

The Council views this activity as essential to the District, and considers the outcomes achieved through delivering it to be of importance and benefit to the District as a whole.

**Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

The operation of transfer stations can be seen to benefit the communities in which they operate making it easier for those communities, and people passing through those communities to dispose of refuse and enhance their own local environment. For this reason the Council has in the past required the capital cost of new transfer stations to be met by the individual community while the ongoing costs of operation are met at a district level.

While visitors and tourists benefit from and cause capital expenditure in most of the District's community facilities and infrastructure, including rubbish and recycling services, expenditure cannot be cost-effectively determined or recovered from these groups specifically.

**Does the activity benefit individuals (and if so, who)?**

The direct beneficiaries of the Rubbish and Recycling activity are the people and businesses who dispose of waste in the District. A major part of the activity, that is the collection and disposal of private refuse, and operation of recycling and green waste facilities, is seen to primarily benefit individuals. Residents are able to individually dispose of their privately created waste in a safe, efficient and cost effective manner.

**What is the period in or over which benefits will occur?**

The benefits of rubbish and recycling services will likely occur over both the short and long term. Individuals have access to frequent rubbish and recycling collection and disposal options providing them with immediate benefits. In addition, the appropriate collection and disposal of waste is intended to have both short- and long-term benefits through the maintenance and protection of our natural environment.

**To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Most individuals living in or visiting the District contribute to the need for this activity, primarily by producing waste that requires disposal, but also in creating a demand for sound waste management practices. Those who are considered to contribute to the need for the Council to carry out this activity include:

- all members of the District who create a demand for safe and environmentally sound collection and disposal of their household and/or business wastes;
- those who participate in littering and illegal dumping in the District;
- all members of the District who have an interest in waste minimisation and the conservation of resources;
- future users of the service who will benefit from existing assets;
- those who undertake or demand further development in the District, thereby increasing the demand for the service and related assets.

**What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

There would be no benefit in funding this activity separately from other activities for any general rate component except that the funding for this would be less easy to distinguish from other activities. There would, however, be an increased cost in collecting it separately. The rating mechanisms used to collect these will therefore be amalgamated with other activities to reduce collection costs.

However, it would also be beneficial to collect a Targeted Rate to the area of service separately as this enables the Council to collect funding only from those properties specifically receiving the service. It is also more convenient and practical to collect fees and charges from users separately.

### Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?

There are no external sources of funds available for this activity. However, it is relatively easy to impose user charges on the collection of waste by means of a "bag" charge, and on disposal through transfer stations by charging per cubic metre, or by weight, of waste.

### How is the activity funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	District (Litter/Landfills)	District (All Other)
	Funding Portion	Funding Portion
Fees and Charges		Medium
<b>Rates</b>		
General Rate - Land Value - District	High	
Uniform Annual General Charge - District		
Targeted Rate - Fixed Charge - Area of Service		Medium

Funding is applied separately for the service relating to litter bins and landfills from other aspects of the service, including transfer stations and kerbside rubbish collection. Services relating to litter and landfills are funded entirely through a district rate because the district as a whole benefits rather than any identifiable person or group. This is calculated by land value, reflecting affordability issues for some.

A medium portion of funding for the portion relating to other aspects of the service can be obtained through fees and charges. Rates are targeted to those who receive the service, as these can be identified.

**Capital expenditure** is funded as shown:

	ILOS & Renewal	Additional Capacity
General Rate	Yes	No
Uniform Annual General Charge (less investment income subsidy)	No	No
Targeted Rate	Yes	No
Lump Sum Contributions	No	No
Fees and Charges	Yes	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	No	No
Grants and Subsidies	No	No
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs.

Development in each community board area will pay the rubbish and recycling development contribution applicable to that community board area.

Funding for capital expenditure by general rates, targeted rates and fees and charges is based on the same rationale as that for operational expenditure.

Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.



## Stormwater Activity Group

This activity group only comprises of the one **Stormwater** activity. This activity has been **merged** with the previous **Land Drainage** activity.

### What we do

Stormwater systems collect and dispose of stormwater to limit the effects of surface water ponding. We have a number of stormwater systems throughout our District to manage run-off and reduce surface water ponding that can lead to risks to public health and safety, damage to property and to avoid dangerous road conditions.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows.

- The Council's stormwater services protect habitable areas from flooding
- The Council's stormwater services do not negatively impact on public health or the natural environment in line with legislative requirements (*new since 2012-2022*)
- The Council is responsive to stormwater requests for service
- Land drainage schemes in Matatoki and Wharepoa are maintained to reduce the impact of flooding on farm properties (*no change since 2012-2022*).

These services have not changed from the 2012-2022 Ten Year Plan.

In terms of funding this activity, two distinct activity components have been identified which reflect the scope and beneficiaries of the different services:

1. Stormwater services
2. Land drainage services

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Stormwater activity...
<b>A prosperous district</b>	<ul style="list-style-type: none"><li>• provides effective management of stormwater to prevent excessive surface water creating access difficulties. This helps to ensure uninterrupted operation of businesses and prevent damage to property. By providing a stormwater service, this activity supports growth of the local economy.</li></ul>
<b>A liveable district</b>	<ul style="list-style-type: none"><li>• provides infrastructure to help build safe and healthy communities by minimising risks due to stormwater and retaining a safe living environment.</li></ul>
<b>A clean and green district</b>	<ul style="list-style-type: none"><li>• plays a critical part in keeping our environment safe and clean.</li></ul>

### Does the activity generate benefits to the community as a whole (District wide)?

#### Stormwater component

The provision of adequate stormwater collection systems benefits the whole District in preventing ponding of rainwater and landslips, helping ensure the public's safety. Without appropriate stormwater management, people would not be able to move freely around the community to go about their normal business. The Stormwater Activity is also necessary for protecting and maintaining access to dwellings and other buildings. The extensive stormwater collection services provided in high-use public areas benefit the broader community, such as rural residents who visit or obtain goods or services from urban areas.

The Council views this component of the activity as essential to the District, and considers the outcomes achieved through delivering it to be of importance and benefit to the District as a whole.

**Land Drainage component**

As the schemes are very much localised and small in nature they are not considered to provide benefits District-wide.

**Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

**Stormwater component**

Urban stormwater systems benefit the local communities within which they are built by ensuring access and safety from flooding in those areas. Those members of the community that are connected to the service or that live or own property in areas where the service is supplied are considered to most directly benefit from the protection of property and access provided.

While visitors and tourists benefit from and cause capital expenditure in most of the District's community facilities and infrastructure, including Stormwater services, expenditure cannot be cost-effectively determined or recovered from these groups.

**Land Drainage component**

The schemes provide some benefit to their local communities in ensuring access to all parts of the community area and protection from flooding generally.

**Does the activity benefit individuals (and if so, who)?**

**Stormwater component**

Stormwater systems benefit private individuals and give protection to their property and enable people to go about their normal business unimpeded by stormwater ponding, however this benefit is received across all properties within areas serviced. Although the Stormwater activity is considered to benefit the District as a whole in providing for mobility and access in wet weather, those properties that are directly connected to the system are considered to receive greater benefits in terms of property protection and access. These beneficiaries can be identified.

**Land Drainage component**

The primary beneficiaries are the owners of farms and properties that receive assistance with drainage of their land.

**What is the period in or over which benefits will occur?**

**Stormwater component**

Stormwater infrastructure is managed in such a way as to continue providing for stormwater collection and disposal from urban properties into the foreseeable future. The benefits then should continue to occur into the long-term.

**Land Drainage component**

Land drainage services result in the benefit of ongoing drainage of land, making that land potentially more productive both now and into the future.

It has been suggested that these land drainage schemes may more appropriately be provided by Waikato Regional Council rather than the Council. To date this has not happened, but it may in the future, which could limit the period of benefits from this Council's point of view.

## **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

### **Stormwater component**

The Thames-Coromandel District is an area which often receives heavy rainfall. Its geography and weather patterns also contribute to the need for stormwater drainage systems. This need is the same across urban communities.

The Council considers that the local exacerbators noted above are often outside of a community's control.

Those who are considered to directly contribute to the need for the Council to carry out this activity include:

- all members of the community who build, install or use impermeable surfaces in urban areas;
- those who create a demand for stormwater management to ensure access and safety in bad weather;
- those who develop or use properties in upland urban areas causing increased run off to accumulate in low lying areas;
- future users of the service who will benefit from existing assets
- those who undertake or demand further development in the District, thereby increasing the demand for the service and related assets.

While such urbanisation exacerbates the effects of these natural factors, by altering the natural flow of water while impermeable surfaces (for example, roofs, parking areas, roads generate more run-off than would naturally occur), this urbanisation should be done in accordance with the district land use policies which are set with broader district benefits in mind. The Council considers that sustaining these urban communities provides benefits to both urban and rural ratepayers.

### **Land Drainage component**

The extent to which individuals or groups contribute to the need for Council to carry out this activity is largely confined to a small and identifiable group of individuals living or owning property in specific geographical locations who create the demand for the drainage works.

## **What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

### **Stormwater component**

There would be no benefit in funding the General Rate component of this activity separately from other activities except that the funding would be easier to distinguish from others. There would, however, be an increased cost in collecting it separately. The actual rating mechanisms used will be amalgamated with other activities to reduce collection costs.

It would also be beneficial to collect targeted rates (area of service) separately as this would allow the Council to collect funding only from the specific areas that most benefit from the service.

### **Land Drainage component**

There would be no benefit in funding any Targeted Rate (land value - board) component for this activity separately from other activities except that the funding would be easier to distinguish from those others. There would, however, be an increased cost in collecting it separately. The actual rating mechanisms used will be amalgamated with other activities to reduce collection costs.

It would be beneficial to collect any Targeted Rate (area of service) separately as this ensures only ratepayers from the specific properties that primarily benefit from the service contribute.

## **Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?**

### **Stormwater component**

There are no external sources of funds to assist with funding this activity. User charges cannot be imposed because of the difficulty of identifying those who either contribute to the cause of the problem or who benefit directly.

#### Land Drainage component

There are no external sources of funds available for this activity. No direct user fees or charges are imposed.

#### How is the activity funded in the 2015-2025 Ten Year Plan?

**Operating expenditure** is funded as shown:

	Stormwater Component	Land Drainage Component
Fees and Charges		
<b>Rates</b>		
General Rate - Land Value – District	Low	
Uniform Annual General Charge – District		
Targeted Rate - Fixed Charge - Area of Service District	Medium	
Targeted Rate - Value of Improvements (excl Public Utilities) - Area of Service District	Low	
Targeted Rate - Land Value - Board		Low
Targeted Rate - Land Value - Area of Service		High

Currently only a portion of funding for the stormwater component is obtained through district-wide rates on the basis that there are general benefits to all ratepayers from the management of stormwater in urban areas. A larger portion of rates has been targeted to those who directly receive the service, as these direct beneficiaries can be identified. Those targeted rates are currently collected on a community board area basis with each of those areas having a stormwater sub-activity. The Council is proposing that in future, the targeted rates will be collected on a district-wide basis as the sub-activity is considered essential to the District, sustaining urban communities provides benefit to both urban and rural ratepayers, and the local exacerbators are often outside of the local community's control

The benefits of the Land Drainage schemes relate specifically to the local communities in which they are provided. A portion of the rate is related to land value, this recognises that there is an affordability issue for some sectors of the community. A second, larger portion applies only to those directly provided with the service who are the primary beneficiaries.

**Capital expenditure** is funded as shown:

#### Stormwater component

	ILOS & Renewal	Additional Capacity
General Rate	Yes	No
Uniform Annual General Charge (less investment income subsidy)	No	No
Targeted Rate	Yes	No
Lump Sum Contributions	No	No
Fees and Charges	No	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	No	No
Grants and Subsidies	No	No
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers.

Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs.

Development in areas serviced by stormwater provision will pay the development contributions applicable to that stormwater area.

Funding for capital expenditure by general and targeted rates is based on the same rationale as that for operational expenditure.

Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

#### **Land Drainage component**

No capital expenditure funding is required for this activity.

## Wastewater Activity Group

This activity group only comprises of the one **Wastewater** activity. It has not changed since the 2012-2022 Ten Year Plan.

### What we do

The Wastewater activity involves collecting, treating and disposing of wastewater from properties and businesses. This is regarded as an important service to the communities of the Coromandel Peninsula as it helps ensure our important environmental values are protected, for example having clean and health waterways. We are required to maintain our current wastewater schemes by law. The way in which schemes are managed and provided is also subject to legal requirements.

### The services we provide

Staff propose modifying the existing levels of service slightly and also include an extra level of service as follows.

- Adequate wastewater services for household and business use will be provided in currently serviced urban communities
- The Council's wastewater services do not negatively impact on public health or the natural environment in line with legislative requirements
- Council will respond as required to faults and complaints received from its customers.

These services have not changed from the 2012-2022 Ten Year Plan.

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Wastewater activity...
A prosperous district	<ul style="list-style-type: none"><li>• Provides the services needed by most businesses and their workers. By providing wastewater services, this activity supports growth of the local economy.</li></ul>
A liveable district	<ul style="list-style-type: none"><li>• Provides safe wastewater services to support a healthy community.</li><li>• Contributes to the development of a safe living environment.</li><li>• promotes strong partnerships with our district's Iwi</li></ul>
A clean and green district	<ul style="list-style-type: none"><li>• Disposes of treated wastewater in ways that minimise environmental harm.</li><li>• Balances the provision of this service with environmental protection.</li><li>• Plays its part in keeping our environment safe and clean.</li></ul>

### Does the activity generate benefits to the community as a whole (District wide)?

One of the direct beneficiaries from the wastewater activity include those who are connected to or have the opportunity to be connected to the Council's wastewater systems, as they can dispose of their own wastewater safely and conveniently through the network.

As wastewater infrastructure does not extend to all parts of the District, properties in those areas do not have the option of directly using the Council service.

However, most people living in or visiting the District benefit from wastewater schemes. Wastewater schemes help ensure our harbours, sea and soils are kept clean through collecting and treating wastewater in urban areas to meet environmental standards. That has flow-on effects to public health. The Council views this activity as essential to the District, and considers the outcomes achieved through delivering it to be of importance and benefit to the District as a whole.

### **Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?**

Notwithstanding the above, those connected to wastewater infrastructure are one identifiable beneficiary of this activity. The Council knows exactly which properties have the service available, and which ones are connected.

Properties that have the service available but are not connected still derive benefit from this activity, due to the value added to the property through the potential to connect to the service and the provision of reticulation, treatment and disposal capacity. This is reflected in the availability charge.

While visitors and tourists benefit from and cause capital expenditure in most of the District's community facilities and infrastructure, including Wastewater, expenditure cannot be cost-effectively determined or recovered from these groups.

### **Does the activity benefit individuals (and if so, who)?**

The service provided directly benefits those who are connected to the system or have the opportunity to connect through in effect collecting the wastewater from their properties. However it also benefits communities more broadly through reducing pollution to waterways.

### **What is the period in or over which benefits will occur?**

Once properties are connected to wastewater infrastructure, collection and disposal will continue into the foreseeable future. The benefits then should be felt in the long-term providing sufficient capacity is in place to collect and process wastewater.

### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Wastewater treatment and disposal costs are partially driven by higher environmental standards than in the past as well as by non-human influences such as rainfall. These factors are outside of the control of individuals or groups related to the District. However the Council also considers that these local exacerbators are outside of the local community's control.

However, human actions or inactions also play a role and those who are considered to contribute to the need for Council to carry out this activity include:

- those creating wastewater in urban areas, in particular, those contributing polluted water to the network.
- all members of the District, as everyone is considered to have an interest in (and to generate a demand for) a clean, unpolluted environment and the recreational, visual and public health benefits associated with this.
- opportunities are available for individuals and organisations across the District to take steps to decrease the use of wastewater services. For example, grey water can be recycled and used for irrigation, food waste can be composted. Therefore individuals and groups contribute to the need for this activity to the degree that they do not carry out these actions.
- businesses that generate trade waste are exacerbators to the extent that they dispose of wastewater that costs more to treat than normal residential wastewater.
- future users of the service who will benefit from existing assets.
- those who undertake or demand further development in the District, thereby increasing the demand for the service and related assets.

While such urbanisation exacerbates the need for and extent of wastewater collection, it should be done in accordance with the district land use policies which are set with broader district benefits in mind. The Council considers that sustaining these urban communities provides benefits to both urban and rural ratepayers.

The upgrades of the Eastern Seaboard Wastewater Plants at Whitianga, Tairua/Pauanui, and Whangamata contained a significant portion of additional capacity requirements. As such, from 2009 Council determined that it would not require the current ratepayers to fund the depreciation on the additional capacity proportion until

that capacity is taken up. Council reviewed this approach as part of the 2015-2025 Ten Year Plan and determined that it would continue this approach for at least the next three years. It is prudent for this proposal to be reviewed in the 2018-2028 Ten Year Plan.

### **What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

There would be no benefit in funding any district-wide rating component of this activity separately from other activities except that the funding would be easier to distinguish from those others. There would, however, be an increased cost in collecting it separately. The actual rating mechanisms used will be amalgamated with other activities to reduce collection costs.

There would be benefits from the funding of targeted rates by area of service separately as this enables the Council to collect funds specifically from those who receive the service. It is also more convenient and practical to collect user fees and charges separately.

### **Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?**

There are usually no external sources of funds to subsidise wastewater services. Some user fees can be charged to commercial entities discharging large volumes of wastewater.

### **How is the activity funded in the 2015-2025 Ten Year Plan?**

**Operating expenditure** is funded as shown:

	<b>Funding Portion</b>
Fees and Charges	Low
<b>Rates</b>	
General Rate - Land Value - District	
Uniform Annual General Charge - District	
Targeted Rate - Fixed Charge - Area of Service	High

A very small portion of funding is obtained through fees and charges from forestry harvest at Whangamata. This is not an annual revenue stream as it is determined by log prices and the age of the forest over which the treated effluent from the wastewater plant is dispersed. A high portion of rates is applied equally to those who receive the service and benefit directly.

**Capital expenditure** is funded as shown:

	<b>ILOS &amp; Renewal</b>	<b>Additional Capacity</b>
General Rate	No	No
Uniform Annual General Charge (less investment income subsidy)	No	No
Targeted Rate	Yes	No
Lump Sum Contributions	No	No
Fees and Charges	No	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	Yes	Yes
Grants and Subsidies	No	No
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers. Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.



Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs.

Funding for capital expenditure by targeted rates is based on the same rationale as that for operational expenditure.

Development contributions are used for funding the additional capacity portion of capital projects. All new development connecting to a wastewater scheme will pay the wastewater development contribution for that scheme.

Some older resource consents, relating to development that has not yet proceeded, have been assessed for wastewater financial contributions under the Resource Management Act 1991. These financial contributions will be used to fund capital expenditure which falls within the requirements of that Act.

Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required. Council is mindful of the fact that existing ratepayers fund the depreciation charged on additional capacity provided until such time as the new ratepayers take up that capacity and begin paying for the depreciation themselves. Due to the large component of additional capacity requirement contained within the Eastern Seaboard Wastewater Plant upgrades at Whitianga, Tairua/Pauanui, and Whangamata it is proposed that Council will not require the current ratepayers to fund the depreciation on the additional capacity proportion until that capacity is up taken over the next three years. It is prudent for this proposal to be reviewed in the next Ten Year Plan.

## Water Supply Activity Group

This activity group only comprises of the one **Water Supply** activity.

### What we do

Clean and safe water is one of the essential needs of the community that the public can simply not do without. The Council water supplies help ensure that people in the areas of benefit (usually urban areas) have safe clean water to drink and to clean with (to maintain public health). The water systems provide water for commercial uses and also fire fighting which helps protect our communities and visitors. Without an adequate water supply, the fire fighting service would be unable to do their jobs and public health and safety would be at risk.

### The services we provide

The services proposed in the 2015-2025 Long Term Plan are as follows.

- The Council provides safe and reliable water for household and business use in urban areas
- The Council provides adequate water to assist with fighting fires
- The Council promotes the efficient and sustainable use of water.

These are the same as the current services.

### How it contributes to achieving the outcomes we are seeking

Council Outcome	The Water Supply activity...
A prosperous district	<ul style="list-style-type: none"><li>• Supports the proposed increase in residential and commercial property growth (Rating Base), by providing essential services in and around current serviced areas.</li><li>• Provides capacity and programmes for managing projected growth.</li></ul>
A liveable district	<ul style="list-style-type: none"><li>• Provides infrastructure to help build healthy communities</li><li>• Creating predictable and conservative spending and rate setting, by managing infrastructure in a consistent manner district wide.</li></ul>
A clean and green district	<ul style="list-style-type: none"><li>• Minimises the impact of taking water from the natural environment.</li><li>• Balances the provision of this service with environmental protection.</li></ul>

### Does the activity generate benefits to the community as a whole (District wide)?

Water Supply is considered essential for maintaining life, public health and the protection of property from fire. Water supply schemes provide benefits to the whole of the community by maintaining public health standards. It also ensures that water safety standards are met for the fire-fighting service, to protect properties and ensure public safety.

The Council views this component of the activity as essential to the District, and considers the outcomes achieved through delivering it to be of importance and benefit to the District as a whole. It also considers that sustaining these urban communities through provision of essential services in turn provides benefits to both urban and rural ratepayers.

### Does the activity generate benefits to any identifiable part of the community (and if so, which parts of the community)?

The direct benefits are to those users on the system who are readily identifiable. The Council knows exactly which properties have the service available, and which ones are connected. Properties that have the service available but are not connected still derive benefit from this activity, due to the value added to the property through the potential to connect to the service. This is reflected in the availability charge.

While visitors and tourists benefit from and cause capital expenditure in most of the District's community facilities and infrastructure, including Water Supply, expenditure cannot be cost-effectively determined or recovered from these groups.

#### **Does the activity benefit individuals (and if so, who)?**

The service provided directly benefits the users of those properties which are connected to the system or have the opportunity to connect.

#### **What is the period in or over which benefits will occur?**

Water infrastructure is provided in such a way as to continue supplying a level of water to serviced properties into the foreseeable future. The benefits then should be felt in the long-term providing sufficient source capacity is available.

#### **To what extent do the actions or inactions of particular individuals or a group, contribute to the need to undertake the activity?**

Water treatment and supply are partially driven by higher environmental and public health standards than in the past and the availability of water to source in proximity. These factors do not result from the actions or inactions of particular groups or individuals and are ultimately outside the District's control. In addition, many of the local exacerbators of this activity are outside of the local community's control for example, the sensitivity of the surrounding environment on the availability of water at source.

However, individuals and groups who, by demanding the service contribute to the need for Council to carry out this activity. These include:

- those who require connection to the service to ensure supply of safe water for household or business use;
- all members of the District, as everyone is considered to contribute to the demand for water for safe drinking, cleaning and potential fire fighting at home or in other places they live, work and visit;
- future users of the service who will benefit from existing assets;
- those who undertake or demand further development in the District, thereby increasing the demand for the service and related assets.

#### **What are the costs and benefits of funding this activity separately from other activities (including transparency and accountability)?**

There would be no benefit in funding any rate applied district wide for this activity separately from other activities except that the funding would be easier to distinguish from those others. There would, however, be an increased cost in collecting it separately. The actual rating mechanisms used will be amalgamated with other activities to reduce collection costs.

There would be a benefit from funding targeted rates by area of service separately as this would enable the Council to collect funds specifically from those who receive the service. Similarly, it would be beneficial for Council to fund any targeted rate by quantity of water supplied separately as it ensures users pay according to their various rates of usage.

#### **Are external sources of funds available? Can user fees or charges be imposed, and if so, on whom?**

There are usually no external sources of funds to subsidise water services. If any opportunity to utilise national funding sources arises in the future the Council will actively seek to access such funding. Direct user fees in the form of water-by-volume rates are charged to the communities of Thames, Coromandel, Pauanui and the commercial area of Whitianga.

## How is the activity funded in the 2012-2022 Ten Year Plan?

**Operating expenditure** is funded as shown:

	Funding Portion
Fees and Charges	
<b>Rates</b>	
General Rate - Land Value - District	
Uniform Annual General Charge - District	
Grants and Subsidies	
Targeted Rate - Fixed charge and/or water-by volume - Area of Service	High

A high portion of rates is applied equally to those who receive the service and who benefit directly.

Since 1 July 2012, the costs associated with our eleven water schemes have been pooled together and then apportioned equally to those who receive the service (with an appropriate adjustment made for water by volume charges) through a targeted rates fixed charge by area of service.

The Council has water schemes in the Thames Valley, including Matatoki, Puriri, Omahu and Hikutaia however, these schemes are different to the other water schemes throughout the district because the water supply is not treated. By not treated we mean that we are not aiming to meet the Drinking Water Standards for these schemes, and in most cases, the water is essentially a raw supply. We do not recommend the water for human consumption without further treatment.

Throughout 2012 we also commenced installing water meters in the communities of Thames Valley. One of the implications of this is that these properties, who are large consumers of water, are now paying by the cubic metre for water. We do not believe that it's appropriate to charge the same price for treated and untreated water, particularly so for high volume users. The combination of the water being untreated, and the use patterns of the untreated water is a matter we wish to address.

We have a water by volume charge of \$1.10 (plus GST) per cubic metre. Section 19 in the Local Government Rating Act does not provide for a differential (two different charges) for water by volume. However, we would like to recognise the difference between our communities who receive treated water supply and metered untreated water supply.

Accordingly from 1 July 2013, an automatic rates remission on the water by volume charge for those metered properties that received the untreated water supply will apply.

We will automatically remit 50% of the charge, bringing the current charge down from \$1.10 per cubic metre, to \$0.55 per cubic metre.

**Capital expenditure** is funded as shown:

	ILOS & Renewal	Additional Capacity
General Rate	No	No
Uniform Annual General Charge (less investment income subsidy)	No	No
Targeted Rate	Yes	Yes
Lump Sum Contributions	No	No
Fees and Charges	No	No
Borrowing	Yes	Yes
Asset Sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	Yes	Yes
Grants and Subsidies	No	No
Depreciation Reserves	Yes	No
Other Reserves	Yes	No

Capital expenditure that increases the level of service of or replaces existing assets benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. The Council's funding decision on capital expenditure will therefore reflect this split of benefits between existing and new ratepayers.

Funding by borrowing provides intergenerational equity by ensuring that future users pay a share of the cost of assets.

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Ten Year Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth occurs. Use of depreciation reserves reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required.

Funding for capital expenditure by targeted rates is based on the same rationale as that for operational expenditure.

Development contributions are used for funding the additional capacity portion of capital projects. All new development connecting to a water scheme will pay the water development contribution for that scheme. Some types of special reserves and/or retained earnings will be used to fund capital expenditure as appropriate. These will be used only for the purpose for which they were collected.

Some older resource consents, relating to development that has not yet proceeded, have been assessed for water financial contributions under the Resource Management Act 1991. These financial contributions will be used to fund capital expenditure which falls within the requirements of that Act.