



Draft

Long Term Plan 2018/2028
Revenue and Financing Policy

Supporting Document: Activity Analysis

December 2017

Contents

Introduction	1
Community Assistance	2
Reserves and Open Spaces.....	5
Halls and Community Housing	9
Libraries	13
Building Control (including LIMS)	17
Resource Consents	20
Environmental Health	24
Animal Management.....	29
Civil Defence.....	33
Flood Protection and Control Works (Land Drainage)	36
Governance	39
Community Planning.....	43
Corporate Services	47
Roads and Footpaths	51
Solid Waste.....	57
Stormwater.....	62
Wastewater - Mangawhai	67
Wastewater – Other	72
Water Supply	78

Introduction

In determining how activities are funded Council is obliged to equitably share the costs of delivering services across different users as well as ensuring equity among current and future generations. In deciding how to fund each activity, Council must consider the nature of the services provided and who benefits from those services. It takes into account:

Community Outcomes - the Community Outcomes are defined under the Local Government Act 2002 as “the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions”. Each activity is ranked from low to high according to the contribution it makes to the Outcomes. This assessment takes into account the relevance of the activity to the Outcomes as a whole, the number and range of Outcomes it contributes to and the strength of its contribution towards the Outcomes overall. The Community Outcomes are set out in the Annexure.

- the beneficiary pays principles - **the distribution of benefits between the community as a whole, identifiable parts of the community and individuals;**
- 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.**

After making these considerations, Council may also consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. Any determination it has made about revenue liability on an activity-by-activity basis can be reviewed taking into account the wider impacts on the community as a whole.

This document provides a detailed assessment of the above criteria for each of Council's activities. Council's decisions on which funding sources to use for both operational and capital expenditure were made after considering and weighing-up these criteria on balance.

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 per cent;
 Medium: 34-66 per cent; and
 High: 67-100 per cent.

Capital expenditure funding contributions are identified. The proportion of capital costs funded from each source will vary depending upon the nature of each capital works project.

Community Assistance

Council aims to work with its communities to support the social and economic development of the district. Through this activity it works “with”, rather than “for” the community to assist them with the development and provision of community facilities and services. This includes supporting volunteering and making funding available to support their activities; for example, the purchasing of services from the Kauri Coast Community Pool Trust and Surf Life Saving NZ.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes primarily to “A district with welcoming and strong communities” as set out below.

Community Outcome	We do this by...
A district with welcoming and strong communities	Supporting volunteering to achieve community development by, for example; <ul style="list-style-type: none"> providing funding through a community assistance policy providing licences to community organisations to occupy council land

This activity's contribution to progressing Community Outcomes at a district level is considered to be medium.

Does the activity generate benefits to the community as a whole (district-wide)?

The activity benefits the whole community by ensuring a co-ordinated approach to supporting community activity and development. Grants and remissions provide benefits to the district as a whole.

The support of social and other community needs is important in achieving healthy communities, the benefits of which flow on to the wider district. Council provides grants to various community organisations that can best deliver the services required to reach a greater spread across the district rather than directly undertaking the activity itself.

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

The activity does benefit identifiable groups in the community but it is unreasonable, impractical and undesirable to target funding from particular groups. Further, the activity generates benefits for the community at large.

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

The activity benefits individuals who participate in the programmes offered by organisations that receive funding from Council. While Council could identify the users of

these services, it makes no sense to charge directly for a grant normally justified by an inability of users to fund themselves. Individual organisations may benefit through remission of rates where provided for in legislation or Council's Rates Remission Policy.

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

Many benefits only cover a short period of time for various reasons such as funding limitations and eligibility, while others are more long term. Overall, however, Council is committed to the support of groups within the district that promote the well-being of residents and ratepayers. For this reason the benefits from this activity as a whole will occur into the foreseeable future.

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; and**
- **improve their health or well-being.**

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 that of other activities. There would, however, be an increased cost in collecting it separately. The actual rating mechanism used for this activity should be 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. However, funding from outside sources cannot easily be anticipated in advance.

A small user charge could be applied for some programmes.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	High
Targeted rates	
Fees and charges	
Interest and dividends from Investments	
Grants and subsidies	Low
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

The district-wide programmes for community assistance development are best funded entirely by the general rate, which recognises the broader benefits to the District as a whole.

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

Reserves and Open Spaces

Council provides a network of open spaces to cater for physical exercise, visual amenity, and environmental protection. The network includes 165 parks and reserves, cemeteries, public toilets and camp grounds.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes primarily to “A district with plenty of active outdoor opportunities” and “A district with welcoming and strong communities” as set out below.

Community Outcome	We do this by...
A district with welcoming and strong communities	<ul style="list-style-type: none"> Supporting volunteering to use, care for and sometimes manage community spaces e.g. <ul style="list-style-type: none"> community/council partnerships for managing reserves Providing a base level of professional parks maintenance
A district with plenty of active outdoor opportunities	<ul style="list-style-type: none"> Providing a higher than base level of care for beach access and esplanade reserves Supporting volunteering for developing reserves for recreation e.g. <ul style="list-style-type: none"> as for community assistance above, community developing and maintaining walking tracks leases on reserves for sports

It is considered that, for those outcomes this activity contributes to, it plays a strong role in doing so. The overall contribution towards Community Outcomes is medium-high.

Does the activity generate benefits to the community as a whole (district-wide)?

Reserves and open spaces are available to all residents and visitors alike across the district and residents from one community can and do access the open space amenities provided in other community areas.

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

Local communities are the primary beneficiaries of open spaces in their local area as they have the best access to local parks and reserves, and because these spaces contribute to each community's "sense of place". It would however be unreasonable to charge local communities targeted rates for local space for the reason that local community space is well distributed across the district providing a generally similar level of service to each community. Some community spaces are leased to sporting,

recreational, cultural and community groups and those groups may have sole right of use to that particular facility at all or at particular times. It may be possible to recover fees and charges from these groups for the benefits they enjoy.

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

The occupiers of new developments are an identifiable part of the wider community that can benefit from additional capacity being provided in community spaces.

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

The availability of community spaces benefits individuals in a variety of ways. Activities such as sports, tramping, bird watching, and picnicking, relaxing, and passive recreation can all offer individual benefits. However, identifying and charging individuals for the enjoyment of open spaces is not practical or desirable.

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

Council is committed to providing open spaces to its communities and continues to add to its stock of reserves land by requiring developers to contribute open spaces as appropriate. The benefits will therefore continue to occur in the foreseeable future. If it requires development or financial contributions for the reserves and open spaces activity, Council is able to extend the period of recovery of capital expenditure to ensure that developers in the Long Term Plan period do not meet the full costs of that expenditure and that a portion of it is attributed to future developers

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

The widespread demand for the Reserves and Open Spaces activity is considered to be the primary driver of the need for it to be undertaken. A number of groups and individuals can be identified as having a particular interest in the activity. These include:

Groups and individuals requiring public space to enjoy their sports, social and recreational activities;

Members of local communities and the wider district who benefit from the aesthetic, recreational and place-making attributes of local parks and reserves;

Visitors to the district whose stay is made more enjoyable by community spaces;

Members of the local community who benefit from spending by visitors and tourists attracted to the district as a destination;

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 community space.

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 would be easier to distinguish from that of 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?

Generally, access to Council community spaces is unfettered and will not be charged for. There may, however, be some fees recovered from groups for exclusive use.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	High
Targeted rates	
Fees and charges	Low
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

This activity is funded mostly by a general rate reflecting the widespread availability of community spaces to everyone in the community. Fees and charges may apply where groups enjoy exclusive use to community spaces at certain times.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	No
Lump sum contributions	No	No
Fees and charges	No	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	Yes
Financial contributions	No	Yes
Grants and subsidies	No	No
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

Capital expenditure that increases the level of service of existing assets or replaces them, benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. 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.

Development and financial contributions are used for funding the additional capacity portion of capital projects and effects mitigation associated with new developments. New development may be required to pay development or financial contributions for open spaces.

Capital expenditure for additional capacity can provide benefits for both new development arriving in the Long Term Plan period and future development arriving after that. Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth is occurring.

Funding for capital expenditure by the general rate reflects the intentions of Council to ensure that everyone in the district has a reasonably similar level of service in open space provision.

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 (general rate) reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required.

Halls and Community Housing

The halls and community housing activity includes:

- owning and managing one hall – the Northern Wairoa War Memorial Hall in Dargaville;
- owning 56 residential units in Dargaville, Mangawhai and Ruawai for single person accommodation; and
- funding collected by way of a targeted rate for the Ruawai Tokotoka Hall.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes primarily to “A district with welcoming and strong communities” as set out below.

Community Outcome	We do this by...
A district with welcoming and strong communities	<ul style="list-style-type: none"> • Contributes to community and cultural amenities and opportunities by providing facilities to be used by the community. • Promotes a local sense of place. • Helps provide a local sense of place and historical heritage. • Supports a range of recreation, lifestyle and leisure opportunities, and contributes to community health.

It is considered that, for those outcomes this activity contributes to, it plays a strong role in doing so. The overall contribution towards Community Outcomes is medium-high.

Does the activity generate benefits to the community as a whole (district-wide)?

Facilities are available to all residents and visitors alike across the district and residents from one community can access the facilities provided in other community areas.

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

The halls are more likely to be used by those living locally and it may be reasonable to charge local communities targeted rates for facilities they enjoy regularly which are not readily accessible and available to those further way. The Ruawai Tokotoka Hall is not owned by Council. Council acts as an agent to collect rates from the Ruawai community and passes them onto the trust that owns and operates the hall.

The 56 residential units are occupied by residents who gain the greatest benefit. The community in which the units are located benefits from having its less well-off citizens properly housed. The broader district benefits in a similar manner

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

The availability of facilities does benefit individuals. Fees and charges may be appropriate for certain types of facilities such as halls but identifying and charging individuals for the enjoyment of all facilities may not be practical or desirable. It is appropriate, however, for Council to charge for housing.

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

Council is committed to providing hall and housing to the people of the district. The benefits of these facilities will continue to occur into the foreseeable future. .

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

The demand for these activities is considered to be the primary driver for it to be undertaken. A number of groups and individuals can be identified as having a particular interest in the activity. These include:

- groups and individuals requiring facilities to be able to enjoy their social and recreational activities;
- members of local communities and the wider district who benefit from facilities when they require them;
- members of local communities in the wider district who wish to provide housing;
- visitors to the district whose stay is made more enjoyable by the availability of facilities; and
- future users of facilities 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 rating component of this activity separately from other activities except that the funding would be easier to distinguish from that of 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.

It may be practical to collect fees and charges separately for community facilities as and when they are required by users.

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

User fees and charges can be applied for residential accommodation and in some other situations. It is often not possible to recover full commercial rates. Non-profit bodies in particular may not be able to pay market rentals. Similarly elderly residential tenants may not be able to pay market rates.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	Med
Targeted rates	Low
Fees and charges	High
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

The Northern Wairoa Hall is funded by the general rate to the extent that it is not able to be funded via fees and charges. A targeted rate is set for funding of the Ruawai Tokatoka Hall and fees and charges are set for funding the housing units.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	No
Lump sum contributions	No	No
Fees and charges	Yes	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	Yes
Financial contributions	No	Yes
Grants and subsidies	No	No
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

Capital expenditure that increases the level of service of existing assets or replaces them, benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. 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.

Development and financial contributions are used for funding the additional capacity portion of capital projects and effects mitigation associated with new developments. New development may be required to pay development or financial contributions for facilities.

Capital expenditure for additional capacity can provide benefits for both new development arriving in the Long Term Plan period and future development arriving after that. Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth is occurring.

Funding for capital expenditure by a targeted rate reflects the fact that it may not always be possible to provide larger community facilities in close proximity to all of the District population.

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 (general rates) reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required.

Libraries

The provision of libraries is a discretionary activity and is considered a core service of local government. Council operates the Dargaville Library. It also provides financial support through grants funding to the four volunteer libraries in Paparoa, Maungaturoto, Kaiwaka, Mangawhai, and the joint school/community library in Ruawai for books, subscriptions and in some cases operating costs. All libraries share a catalogue and collection and all libraries except Ruawai use the same computer system.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes primarily to “A district with welcoming and strong communities” as set out below.

Community Outcome	We do this by...
A district with welcoming and strong communities	<ul style="list-style-type: none"> Supporting communities to provide access to libraries e.g. <ul style="list-style-type: none"> Council support for community libraries run by volunteers Providing a base level of access to a professional library service

This activity's contribution to progressing Community Outcomes at a district level is considered to be low-medium.

Does the activity generate benefits to the community as a whole (district-wide)?

Libraries are considered to be of benefit to the whole district as informed, literate individuals contribute to the social and economic health of the wider community and libraries play an important role in this process. Libraries offer a source of enjoyment and interest to the district community.

The Local Government Act 2002 requires Council to provide free library membership to all residents of the district if Council, or a Council controlled organisation, provides a library for public use. Therefore, anyone living on the Kaipara District can benefit from the services provided by the Dargaville Library.

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

The services provided by each library are most likely to be accessed by those living locally. The district library activity also benefits the local communities.

While visitors and tourists benefit from and cause capital expenditure in most of the district's community facilities and infrastructure, including libraries, expenditure attributable to these groups cannot be cost-effectively determined or recovered from them.

The occupiers of new developments are an identifiable part of the wider community that can benefit from additional capacity being provided in the libraries asset.

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

Individuals benefit most from library services by access to educational, recreational and informational resources for their own use. However, these individuals cannot be fully charged for the service, as Council is required by law to provide free membership to all district residents. Further, Council recognises that there are affordability issues for many individuals and considers it inappropriate to charge the full cost of providing the service.

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

Council currently has a commitment to continue to provide the library services to residents and ratepayers of the district for the foreseeable future. If it requires development or financial contributions for the libraries activity, Council is able to extend the period of recovery of capital expenditure to ensure that developers in the Long Term Plan period do not meet the full costs of that expenditure and that a portion of it is attributed to future developers.

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

Library members and other users are the primary driver of the need to undertake this activity. Individuals and groups who are considered to contribute to the need for Council to carry out this activity include:

- all members of the district who require access to books and other library resources;
- future users of the service who will benefit from existing assets; and
- 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 district rates for this activity component separately from other activities except that the funding would be easier to distinguish from that of 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. 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?

Customers of the libraries can be charged to borrow items and Council considers it appropriate to charge for magazines, some fiction and audio-visual material, and to use photocopying and interloan services. It is also appropriate to levy fines on overdue items. Customers who reside outside of the district are currently charged an annual subscription fee of \$30 per annum.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	High
Targeted rates	
Fees and charges	Low
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

The low proportion of fees and charges reflects the benefit to individuals of this activity but recognises the limits to the extent that a contribution that can be obtained from this funding source. The portion of funding obtained from a general rate recognises the benefits of libraries that are available to everyone in the District and takes account of affordability concerns. This funding arrangement is seen as the most equitable way of ensuring most people can access the library at little or no charge, which is considered to be important for this activity.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	No
Lump sum contributions	No	No
Fees and charges	Yes	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	Yes
Financial contributions	No	Yes
Grants and subsidies	No	No
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

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. 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.

Development and financial contributions are used for funding the additional capacity portion of capital projects and effects mitigation associated with new developments. New development enjoying the benefits of an existing or expanding libraries service may be required to pay development or financial contributions for the activity.

Capital expenditure for additional capacity can provide benefits for both new development arriving in the Long Term Plan period and future development arriving after that. Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth is occurring.

Funding for capital expenditure by, targeted rates and fees and charges is based on the same rationale as that for operating expenditure. The use of a general rate reflects the availability to all of the community of the libraries activity.

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 (general rates) reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required.

Building Control (including LIMS)

There are two distinct parts to the building control activity; building consenting for processing, inspecting and certifying building work and building enforcement to ensure compliance with legislation and related requirements.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes primarily to “A trusted Council making good decisions for the future” as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> Using efficient processes for managing consents and enforcing regulatory requirements

It is considered that, for the Outcome this activity contributes to across the district, its contribution in doing so is medium.

Does the activity generate benefits to the community as a whole (district-wide)?

This 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. Although the benefits of the building consent component are received primarily by developers, 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 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 consent for building work. This component discourages illegal building activities.

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

This activity is not considered to provide benefits to any specific part of the community, with the exception that there is some benefit to the construction industry and its customers. However it is most practical to charge individual industry members when they require the service.

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

The primary beneficiary of the building consent process is the applicant who wishes to construct a building and the provision of a code compliance certificate is now seen as an asset when selling a house or other building. Obviously, these beneficiaries can be easily identified and charged accordingly.

Individuals that have compliance issues benefit to the extent that their assets or works can be rectified and or made safe. This means 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.

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

Council has a statutory obligation to ensure a function for processing and issuing building consents is available in the district. The benefits of the activity are therefore expected to continue into the foreseeable future. Council also has a statutory obligation to carry out building enforcement so this component will continue into the foreseeable future.

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 Council to carry out enforcement action; and
- members of the public who request the service of Council to investigate possible non-compliant buildings or structures.

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 that of 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.

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

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	Low
Targeted rates	
Fees and charges	High
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

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 a district rate recognises that everybody benefits from a safe building stock in the district. The portion funded by a district rate based on land value also reflects the benefits of the service in relation to the value of properties.

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 by district rates based on land value recognises that there are affordability issues for some sectors of the community.

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

Resource Consents

This activity involves processing and issuing of land use consents and a monitoring/enforcement function. The aim of both components is to ensure that land use activities in the district are consistent with the District Plan.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes primarily to “A trusted Council making good decisions for the future” and “A district with plenty of active outdoor opportunities” as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> Using efficient processes for managing consents Supporting growth that is sustainable
A district with plenty of active outdoor opportunities	<ul style="list-style-type: none"> Complying with all regulations including consent conditions (community) e.g. enforcing compliance of private owners with their consents Allowing for appropriate development. Hazards such as flooding and slips are adequately avoided, mitigated or remedied Helping provide for our unique environment to be protected by ensuring appropriate development. Balancing environmental protection with accessibility

This activity's contribution to progressing Community Outcomes at a district level is considered to be high.

Does the activity generate benefits to the community as a whole (district-wide)?

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 the environment, property and people from natural hazards, ensures incompatible uses are kept separate and helps enrich 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 the community in which the development is to occur. Council is able to identify the main groups that benefit from a specific resource consent, such as a new house or subdivision. Equally, 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 a community benefit; for instance, when Council applies for consent for flood protection works or a community hall or a new cycleway.

However, it is not possible to identify all of 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 obligation to process resource consents is a statutory one and Council considers this important to ensure the preservation of the environment and to produce an outcome that benefits the community as a whole. The benefits will therefore continue into the foreseeable future.

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 demand control on the works of others that drive the need for this activity. Those who are considered to contribute to the need for 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 consent when they wish to undertake a development, which 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 Council to spend time and resources to resolve these issues. In many cases these costs are not fully recoverable; and
- 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 that of 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.

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. Council therefore will endeavour to recover the cost of processing applications from the applicant.

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. Council will charge appropriately to recover these additional costs.

The costs of 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 will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	Low
Targeted rates	
Fees and charges	High
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

For consenting, fees and charges are obtained from developers, who benefit from the consent to develop their property. 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 appeals component, funding executed from fees and charges is likely to be low, reflecting the limited opportunity to recover these costs from those whose non-compliance requires enforcement action, or from appeals that involve high legal costs. A general rate based on land value 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.

Environmental Health

Under this activity, Council performs the role of controlling food safety, sale of liquor, registering premises where there is a restricted use, monitoring gambling and responding to complaints.

Which Council Outcomes does the activity primarily contribute to?

This activity contributes primarily to “A trusted Council making good decisions for the future” as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> • Supporting people to live safer lives away from harm caused by such things as alcohol and gambling • Promoting a safe living environment • Helping to ensure high standards of public health • Limiting behaviours that negatively affect the community, therefore enabling community enjoyment of public spaces and recreation opportunities

This activity's contribution to progressing the Community Outcomes at a district level is considered to be medium.

Does the activity generate benefits to the community as a whole (district-wide)?

This activity component benefits the community district-wide in that the wider community can participate in the making and reviewing of bylaws and equally benefits from their implementation by the maintenance of community standards. The primary purpose of public health legislation, which Council administers, is to protect the consumer of products from premises supplying food. This protection is available to all consumers across the district; even if an individual never enters a registered premise, they are likely to be in contact with people who do. The responsibility for the 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.

The liquor licensing 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 community. The general public benefits when purchasing liquor from licensed premises which are subject to conditions that have been placed on the licensee.

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

There are a number of bylaws that are made by Council to control various issues. In general this benefits the whole community. However, the following parts of the Kaipara District General Bylaws 2008 have been identified as generating benefits to identifiable parts of the community:

- Part 3 Trading in Public Places
- Part 5 Control of Advertising Signs
- Part 6 Amusement Galleries
- Part 7 Fires in the Open Air
- Part 8 Keeping of Animals, Poultry and Bees
- Part 16 Water Supply
- Part 17 Land Drainage.

The benefits of health licensing and liquor licensing are considered to be spread equally across the district rather than accruing to any specific part of the community.

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

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

This health licensing component benefits those individuals who operate 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 on the owners of the various business operations because they are easily identifiable.

Liquor licensing benefits licensees in that they would be unable to sell liquor lawfully without a licence. The licensees benefit 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, such as residents and visitors, by enabling them to drink socially and to obtain supplies of alcohol for private consumption. Licences can be identified and charged to a degree for this benefit.

Liquor bans also benefit individuals who find offence with persons drinking excessively in public places. It is not possible and not reasonable to identify and charge these individuals for the protection they receive.

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

Council has a statutory obligation to carry out the environmental health activity. There is also an expectation that Council will act in the interests of the whole community to control a number of community issues. For these reasons Council remains committed to this activity in the foreseeable future.

Operating expenses provide benefits primarily for the year in which the expenses occur.

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 regulation 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 community who wish to operate a business that requires licensing;
- all members of the community who do not comply with relevant regulations or bylaws, obliging Council to take enforcement action;
- those members of the community who request Council action in relation to perceived breaches of regulations or bylaws.

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 that of other activities. There would however be an increased cost in collecting the rate separately. The rating mechanisms used to collect these will therefore be amalgamated with other activities to reduce the 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?

There is little opportunity to collect fees and charges from persons creating nuisances and infringing bylaws due to the difficulties likely to be encountered in doing so. In some cases these persons live outside the district.

The funding of health licensing is different from monitoring/enforcement functions. For licensing, 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 always possible. Council acknowledges differences between the various regulatory functions in terms of the relative degrees of private benefit and public good, but where legally possible all the direct costs of providing a service to an applicant are charged back to that applicant in full. For monitoring and enforcement, it is simply not practicable to recover the majority of costs incurred in obtaining compliance and taking appropriate enforcement action.

No external sources of funds are available for liquor licensing control and the fees for licences and certificates are set by statute without regard for the actual cost in providing the service.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	Low
Targeted rates	
Fees and charges	High
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

For all components of this activity, fees and charges should be recovered where possible. It is practical to identify and charge licensees. However, attempting to recover costs from persons creating nuisances and infringing bylaws is often not practicable. The remaining components can be funded by a general rate as the activity is considered to benefit the whole community.

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

Animal Management

Provision of this service includes dog licensing, managing through contract impounding facilities for stock and dogs, responding to complaints and public education.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes primarily to “A trusted Council making good decisions for the future” as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> Supporting people to live safer lives away from harm caused by uncontrolled animals.

This activity's contribution to progressing Community Outcomes at a district level is considered to be low.

Does the activity generate benefits to the community as a whole (district-wide)?

The community 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 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 and damage.

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

The benefits of the animal management activity are considered to be provided to individuals and members of the community as a whole, rather than any specific parts of the community.

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

Dog owners are an identifiable group that benefits from the activity, because they are able to register their animals as required by law. Much of the service provided by this activity component is directed towards problem animals and their owners, some of whom visit from outside the district. However, in addition to the benefit of dog ownership, which entitles owners to the lawful enjoyment of their pets and working dogs, there are other benefits available to dog owners. If dogs stray or are 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 be in breach of these standards are informed or penalised.

This service also benefits those that wish to complain about nuisance animals. Council maintains a 24 hour seven day service to respond to complaints. However,

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 investigated and addressed.

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

Council has a statutory obligation to carry out this regulatory activity. There is also an expectation that Council will act in the interests of the whole community to control animal nuisance. For these reasons Council remains committed to this activity in the foreseeable future.

Operating expenses provide benefits primarily for the year in which the expenses occur, except that money spent on the maintenance of any assets will carry benefits into future years.

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 the owners of animals. The need to undertake the activity is therefore driven almost entirely by those whose actions or inactions require regulation 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 community who wish to own dogs and other animals;
- those members of the community who request Council action in relation to animals; and
- the community generally which expects a high standard of control on animals around the district.

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 that of 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?

Impounding fees and infringement fees can be charged for offences where the offender can be identified. In relation to the level of registration fees, the income from fines is quite significant, being nearly 15 per cent of the cost of operating the activity. User fees are imposed for dog registration on the resident owners of dogs.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	Low
Targeted rates	
Fees and charges	High
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

For all components of this activity, fees and charges should be recovered where possible. It is practical to identify and charge dog owners. However, attempting to recover costs from persons creating nuisances with their animals is not practicable. The remaining components can be funded by a general rate as the activity is considered to benefit the whole community.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	No
Lump sum contributions	No	No
Fees and charges	Yes	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	No
Financial contributions	No	No
Grants and subsidies	No	No
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

Capital expenditure that increases the level of service of existing assets or replaces them, benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. 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 a general rate is based on the same rationale as that for operating 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.

Use of depreciation reserves (general rates) 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.

Civil Defence

In civil defence, Council's role is to increase community awareness, understanding and preparedness for emergencies, reduce the risk from natural hazards to the district and enhance the district's capability to manage and recover from emergencies. Council has a statutory obligation to provide civil defence services.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes to primarily "A district with welcoming and strong communities" as set out below.

Community Outcome	We do this by...
A district with welcoming and strong communities	<ul style="list-style-type: none"> Supporting volunteering in being prepared for an emergency e.g. developing community preparedness plans across the district for volunteer action in an emergency Promoting development of a safe living environment through local emergency education, response and recovery plans. Supporting initiatives which promote and reflect community responsibility

This activity's contribution to progressing Community Outcomes at a district level is considered to be medium.

Does the activity generate benefits to the community as a whole (district-wide)?

The activity provides benefits to the 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" although an emergency may affect only a part of the community.

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

Civil defence may service just one part of the community at any one time depending on the nature and severity of emergency events. It is mostly not practical to identify and charge the beneficiaries of the activity.

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

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

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

Council has a statutory obligation to provide civil defence services. The benefits will therefore continue to be provided as long as this obligation remains in place.

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 the district, most civil defence emergencies are weather related and therefore not caused by any individual or group. However, to the degree that people demand 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 carry out actions or act negligently in ways that cause emergency situations;
- those who seek to restore their homes, businesses and way of life following an emergency; and
- future users of the service.

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 that of 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?

Some subsidies and assistance are received from time to time from the Ministry of Civil Defence and Emergency Management. However these cannot be anticipated in advance. Fees and charges cannot be practically imposed for this activity.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	High
Targeted rates	
Fees and charges	
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

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, 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 using the general rate.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	No
Lump sum contributions	No	No
Fees and charges	No	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	No
Financial contributions	No	No
Grants and subsidies	No	No
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

Capital expenditure that increases the level of service of existing assets or replaces them, benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. 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 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.

Use of depreciation reserves (general rates) reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required.

Flood Protection and Control Works (Land Drainage)

Flood control activity includes:

- Flood control schemes
- Rivers alignment control
- Land drainage.

Land drainage work is undertaken in 29 drainage districts including weed spraying, drain cleaning and flood bank and stop bank maintenance.

Flood protection is carried out through control schemes and a system of stop banks. Rivers are also monitored in storms events to warn of potential flooding.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes primarily to “A trusted Council making good decisions for the future” as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> • Providing a base level of protection so that productive land is not affected by a one-in-five year flood • Helping create an environment that enables our economy to grow by avoiding reduced productivity of agricultural land at risk of flooding. • Complying with all regulations including consent conditions e.g. ensuring Council's infrastructure complies and enforcing compliance of private owners with their consents

This activity's contribution to progressing Community Outcomes at a district level is considered to be low.

Does the activity generate benefits to the community as a whole (district-wide)?

Land drainage schemes cover particular parts of the district and are not considered to provide district-wide benefits.

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

The land drainage schemes provide benefit to the communities within them in ensuring access to all parts of the community area and protection from flooding generally.

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

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

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

Council is committed to the ongoing provision of this activity for the foreseeable future. Both existing, new and future ratepayers will benefit from the activity over time.

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

The extent to which individuals or groups contribute to the need for Council to carry out this activity is largely confined to identifiable individuals or groups living or owning properties in specific geographical locations who create the demand for drainage works.

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

It would be beneficial to collect any targeted rate (area of service – scheme) separately as this ensures only ratepayers from the particular communities 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?

There are no external sources of funds available for this activity.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	Low
Targeted rates	High
Fees and charges	Low
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

The benefits of these schemes relate specifically to the local communities in which they are provided. The targeted rate is related to land value, to recognise the values of land and property protected and an affordability issue for some sectors of the community.

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

Governance

The Mayor and Councillors make decisions on district strategies, policies, plans and bylaws and undertake civic duties such as citizenship ceremonies. The elected representatives also engage with mana whenua, district communities, public interest groups and key stakeholders to identify their priorities and preferences. This helps to ensure that decisions are made that take into consideration the preferences of a wide range of communities across the district.

A key part of Council's governance work is to ensure that Council can make informed decisions and that Council and Committee meetings are well run and managed. Council staff provide advice, information and administration support to enable this to occur. Council officers ensure that meetings follow correct processes and comply with legislation, record decisions and subsequently communicate these decisions to the community and other stakeholders.

The current Councillors were elected in October 2016. The Mayor elected at that election resigned effective 15 November 2018 and a by-election was held on 17 February 2018.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes to all three Community Outcomes, primarily "A trusted Council making good decisions for the future" as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> Leadership and advocacy role in trying to facilitate local economic development opportunities.
A district with welcoming and strong communities	<ul style="list-style-type: none"> Council has a community leadership and advocacy role to help facilitate the development of local communities. Advocating for our communities needs.
A district with plenty of active outdoor opportunities	<ul style="list-style-type: none"> Sound management and advocacy to protect our natural environment.

The Governance activity provides for broad advocacy of community needs which encompasses all Community Outcomes. This activity's overall contribution to Council Outcomes is therefore considered to be medium-high.

Does the activity generate benefits to the community as a whole (district-wide)?

A fundamental principle of local government in New Zealand is the acceptance of the democratic electoral system for the selection of elected members. 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 and sound governance of Council's activities.

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

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. Elected representatives are there to represent the community as a whole.

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

The activity provides benefits to members of the public who contact their elected members. It is not appropriate or reasonable to charge individuals who approach their representatives on particular issues.

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

The benefits occur within the immediate period within which the service is delivered.

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 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;

Those who may become eligible to vote and become future users of the service.

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 that of other activities. 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.

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 to fund this activity. It is impractical and unreasonable to set and impose fees and charges for this activity.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	High
Targeted rates	
Fees and charges	
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

The Mayor and Councillors role is to provide leadership and make decisions affecting the whole District on behalf of all residents and ratepayers. As such, Council considers that this activity should be funded by a general rate as the activity benefits all ratepayers.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	Yes
Lump sum contributions	No	No
Fees and charges	No	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	No
Financial contributions	No	No
Grants and subsidies	No	No
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

Funding for capital expenditure by the 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.

Use of depreciation reserves (general rates) reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required.

Community Planning

Community Planning includes but is not limited to:

- Monitoring, developing and reviewing the District Plan to ensure that it meets legal compliance, including Plan Changes;
- Developing and reviewing Reserve Management Plans;
- Developing Community Plans;
- Implementing the Community Assistance Policy, including grants, Contracts for Service, Licence to Occupy, and the Mangawhai Endowment Lands Account;
- Making submissions on proposed regional and national documents – Proposed Regional Policy Statements and Proposed Regional Plans, Proposed National Policy;
- Statements and Proposed National Environmental Standards;
- Making submissions to proposed changes in national legislation;
- Reviewing policies required by legislation within review cycles;
- Monitoring the state of the environment and trends such as population and economic changes that may affect policy changes or responses;
- Contributing to regional environmental forums and initiatives;
- Contributing to regional economic forums and initiatives;
- Delivering economic development outcomes through Community Planning; and
- Development and review of Bylaws.

District and community planning provides benefits for all persons by helping ensure that development maintains community standards and is environmentally sustainable. 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. In terms of economic development, although businesses as a group are the immediate beneficiaries of services to enhance their operations, the benefits of increased economic activity and increased employment opportunities that they may bring are of benefit to the district as a whole.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes to all three Community Outcomes as set out below.

Community Outcome	We do this by...
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A trusted Council making good decisions for the future	<ul style="list-style-type: none"> • Promoting economic and population growth that is socially and economically sustainable by defining what that means, and how it will be achieved • Providing a clear planning framework to guide future development of the District and create opportunities. • Helping to create an environment that enables our economy to grow.
A district with welcoming and strong communities	<ul style="list-style-type: none"> • Planning for the future to identify and promote our community needs. • Providing opportunities to be actively involved in the direction-setting of Council.
A district with plenty of active outdoor opportunities	<ul style="list-style-type: none"> • Helping to ensure that future development fits sensitively within the Kaipara's unique landscape and coastal environment

This activity's contribution to progressing Community Outcomes at a district level is considered to be medium-high.

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 whole community benefits from having a co-ordinated approach to business development. 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)?

Particular parts of the District Plan may benefit identifiable persons/parts of the community (e.g. individuals/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.

The business community does gain direct benefits from increased economic activity.

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

Developers who wish to undertake an activity that is not permitted under the existing District Plan and seek to alter the Plan through a privately initiated change to the District Plan may impose significant costs on Council. These may include costs of advertising, costs for preparing planners' reports, cost for hearings, etcetera). In these circumstances, Council can recover its '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.

Economic development is seen to benefit businesses as a group or the community at large. It is not feasible to identify or charge individual businesses benefiting from this activity. While there is a spin-off for the public generally, and other groups, the economic boost to the area benefits most those who are in business. Other individuals benefit, if a specific business is available in their town, which would not be there were it not for the Economic Development activity but it is not feasible to identify and charge these individuals.

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

Council has a statutory obligation to undertake this activity and the benefits will therefore continue into the foreseeable future.

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 community demand for a district in which land use is well planned and managed so as 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.

Although businesses as a group are the immediate beneficiaries of services to enhance economic activity, the needs of the wider community for employment opportunities and the benefits of increased economic activity are significant drivers 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.

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 that of 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 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 are charged for the purchase of District Plan and maps. Once the Proposed District Plan is fully operational Council intends to establish a District Plan maintenance service (by which District Plan holders obtain a service to keep hard copy text and maps up-to-date).

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	High
Targeted rates	
Fees and charges	
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

Council considers that this activity benefits the community as a whole by ensuring that the community continues to develop in a sustainable manner. Funding by the general rate reflects that there is District-wide benefit.

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

Corporate Services

This Activity includes, but is not limited to:

- Compliance with the LGA for preparation of:
 - Long Term Plans;
 - Annual Plans; and
 - Annual Reports.
- Preparation of activity plans that set service levels for each Council activity;
- Development and implementation of Divisional and Project Plans consistent with Council's Long Term Plan and Annual Plans;
- Regular Organisational Reporting to the Executive and Council;
- Development and implementation of business plans;
- Review and development of internal policies; and
- Internal services such as Finance, Revenue, Information Services and Human Resources.

Long Term, Annual and Activity planning provide district-wide benefits by detailing what Council intends to do over the next 10 years, the level of service provision, how much it will cost and how it will raise the funds. Business plans identify how the organisation will meet the organisational objectives. Organisational reporting gives the community a snapshot of what Council said it would do, whether it is on track and whether it met the objectives.

This Activity also includes the forestry holdings and other non-core properties which are owned by Council. Forestry is largely funded by lease and harvesting returns which are used to reduce general rates when available. There, can, however, be significant variability between different years particularly in relation to the forestry activities which means, at times, that there can be a requirement for a low level of general rate input.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes primarily to “A trusted Council making good decisions for the future” as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> Ensuring that Council contributes to the development of the district in a meaningful way via the activities that it undertakes. Helping to ensure that Council contributes to the creation of an environment that enables our economy to grow. Forestry activity creates additional economic activity. Planning for the future to identify and promote our community needs. Providing opportunities to be actively involved in the direction-setting of Council.

This activity's contribution to progressing Community Outcomes at a district level is considered to be low-medium.

Does the activity generate benefits to the community as a whole (district-wide)?

By ensuring that the organisation has a clear planning and reporting framework through which it can agree its contribution to development of the district the activity generates benefits which are district-wide. The returns from forestry and non-core property are offset against the general rate in years in which it generates a surplus.

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

No one part of the district benefits from this activity.

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

There are no direct benefits to individuals.

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

Council has a statutory obligation to undertake this activity (except for forestry and non-core property) and the benefits will therefore continue into the foreseeable future.

The benefits of forestry and non-core property continue into the future but the extent to which this happens depends on the return that Council sees for its investment. Generally the benefits are long term and take some time 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?

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 community wanting a Council that makes a meaningful contribution to the development of the district as a whole.

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 that of 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?

No external sources of funding are available for this activity except in the case of forestry and non-core property. Revenue gathered from the forestry and non-core property holdings are used to fund these activities on an ongoing basis. The aim is for them to be fully self-funding.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	Medium
Targeted rates	
Fees and charges	Low
Interest and dividends from Investments	Low
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	Medium

Summary of appropriate funding sources for operating expenditure

Council considers that this activity benefits the community as a whole and that it is therefore appropriate that it is funded via the general rate. Revenue generated from the forestry and non-core property activities are used to fund these aspects of the activity. From time to time a low level of rating might be required.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	Yes
Lump sum contributions	No	No
Fees and charges	Yes	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	No
Financial contributions	No	No
Grants and subsidies	No	No
Other sources	Yes	No

Summary of appropriate funding sources for capital expenditure

Capital expenditure in this activity is limited. Funding for capital expenditure by the general rate is based on the same rationale as that for operational expenditure. 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.

Use of depreciation reserves (general rates) reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required.

Roads and Footpaths

This activity includes maintenance and renewal of the following assets on Council maintained roads:

- Sealed and unsealed roads (maintenance, renewals and improvements);
- Roadside drainage;
- Footpaths (extension, improvements and maintenance);
- Bridges (maintenance and replacement);
- Signage;
- Road marking;
- Street lights;
- Slip repair programme;
- Street cleaning;
- Emergency work; initial response and reinstatement;
- Walkways and cycleways; and
- Roadside mowing and vegetation control.

Council also promotes and educates about road safety and advocates for central government funding to support key transport infrastructure projects in the district.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes primarily to “A trusted Council making good decisions for the future” and “A district with welcoming and strong communities” as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> • Providing a base level of safe passable local roads from/to farm/business gate, port, and State Highway network. • The roading network is a core service that provides access to all parts of the district. This allows for economic activity and hence contributes to local economic well-being.

Community Outcome	We do this by...
A district with welcoming and strong communities	<ul style="list-style-type: none"> • Providing a base level of safe passable local roads to ensure connected communities • Provides infrastructure to help build healthy communities. • Supports a range of lifestyle, leisure and recreation opportunities.

This activity makes a significant contribution to Community Outcomes at a district level.

Does the activity generate benefits to the community as a whole (district-wide)?

The provision of an effective and well-planned roading and footpath network is an expectation of a modern society and the lack of an efficient network would be detrimental 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 move around the district).

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. However, Council has the ability to limit requirements for development or financial contributions to particular parts of the network where growth is occurring and generating the need for additional capacity.

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

All sectors of the community benefit from the roading activity. It is not easy to identify parts of the community 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 the roading network, expenditure cannot be cost-effectively determined or recovered from these groups.

The occupiers of new developments are an identifiable part of the wider community that can benefit from additional capacity being provided in the roading network.

In addition, there are some parts of the community that benefit from the entire network more than others such as the rural and forestry sectors.

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

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 appropriate to fund it at a district level for the main part.

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

The benefits of the footpath network are experienced most by local communities. Those individuals and groups considered to contribute to the need for Council to carry out this activity include:

- residents of the District who demand a safe and enjoyable footpath network;
- visitors and tourists who enjoy safe attractive footpaths network;
- future users of the network who necessitate additional capacity being built into it and who also benefit from existing network assets; and
- those who undertake or demand further development in the District, thereby increasing the demand for the activity and related assets.

From time to time a community may request a specific improved level of service, for example dust control or seal extension. Where requests are implemented it is appropriate the community benefiting contributes to the cost, notwithstanding all road users gain a benefit

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

As local roads are vested in Council under statute, this activity will continue to occur into the foreseeable future. As a result there will be an ongoing operating cost associated with maintaining the existing network. If it requires development or financial contributions for the Roding and Footpath activity, Council is able to extend the period of recovery of capital expenditure to ensure that developers in the Long Term Plan period do not meet the full costs of that expenditure and that a portion of it is attributed to future developers.

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

Forestry and logging truck activity contribute to a noticeable degree to the need to maintain certain roads at current service levels.

Other individuals and groups who are considered to contribute to the need for 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;
- those who use more of the entire network;
- those who contribute disproportionately to the need for upkeep;
- future users of the network who necessitate additional capacity being built into the network and who also benefit from existing network assets; and
- 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)?

Roading represents a sizeable portion of Council's budget and as such it could be argued that there is merit in having a separate targeted rate. The desirability of a separate rate need to be weighed, however, with the benefit of having simple and understandable rating system and the fact that the benefits are district-wide. On balance Council has come to the view that the activity should be funded via the general rate but with differentials being applied to recognize the additional costs created by some land uses and a targeted rate to fund increased costs incurred by specified land use. Council is of the view that there is merit in funding the additional capacity portion of roading via a separate District-wide development contribution.

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

The NZ Transport Agency provides substantial funding for the transportation activity, in particular the roading network, by way of subsidy. Currently most of Council's roading expenditure attracts a 61 per cent subsidy from the NZ Transport Agency. The subsidy applies to operating and capital expenditure.

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 NZ 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.

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.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	Medium
Targeted rates	Low
Fees and charges	
Interest and dividends from Investments	
Grants and subsidies	Medium
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

Subsidies are applied to this activity as and when they are available. The balance is funded by district-wide general rates recognising the widespread nature of the benefits of the roading network. A proportion is via a targeted rate collected from exotic forestry properties. The latter recognises the impact that forestry and logging have on Council's roading network. A targeted rate is also appropriate for privately requested level of service improvements.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	No
Lump sum contributions	No	No
Fees and charges	No	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	Yes
Financial contributions	No	Yes
Grants and subsidies	Yes	Yes
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

Capital expenditure that increases the level of service of existing assets or replaces them, benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. 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.

Development and financial contributions are used for funding the additional capacity portion of capital projects and effects mitigation associated with new developments. New development occurring in particular growth areas may be required to pay a roading contribution for that part of the network.

Capital expenditure for additional capacity can provide benefits for both new development arriving in the Long Term Plan period and future development arriving after that. Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth is occurring. Council considers it appropriate to use development and financial contribution methodology to recover the costs associated with this expenditure over the time period in which the development is occurring.

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

The Use of depreciation reserves (general rates) 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 charging depreciation on the subsidised portion of roading works raises equity concerns, as Council expects to continue receiving central government subsidy at the time these assets need to be replaced. Council proposes not to fund depreciation on the subsidised portion.

Solid Waste

Solid waste activities include:

- Kerbside refuse bag collection;
- Recycling collection in key urban areas;
- Two transfer stations for residential and residual waste disposal;
- Public litter bins;
- Illegally dumped rubbish (often referred to as “fly tipping”);
- Abandoned vehicles;
- Supporting waste minimisation initiatives; and
- Monitoring, maintaining and management of a number of closed landfills in the district.

Private operators are responsible for all waste collection, recycling and disposal services for Council. Council is responsible for setting and ensuring waste objectives and targets are met, carrying out education and assisting the community with various waste minimisation initiatives.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes to primarily “A district with welcoming and strong communities” and “A district with plenty of active outdoor opportunities” as set out below.

Community Outcome	We do this by...
A district with welcoming and strong communities	<ul style="list-style-type: none"> • Providing a base level of solid waste collection (cost recovery). • Contributes to a safe and healthy living environment by ensuring a service is available. • Encouraging community responsibility through waste minimisation education.
A district with plenty of active outdoor opportunities	<ul style="list-style-type: none"> • Supporting communities to reuse, recycle and reduce waste. • Supporting the business, tourism and visitor sectors through direct service provision, and services for visitors such as drop-off sites and public place recycling. • Complying with all regulations including consent conditions (closed landfills - Council)

Community Outcome	We do this by...
	<ul style="list-style-type: none"> Helps protect the environment by enabling good waste management and minimisation, by ensuring disposal of waste in ways that minimises harm, and managing closed landfills.

This activity makes a moderate contribution to achievement of the Community Outcomes.

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 results from the provision of waste collection, public litter bins, and centralised waste 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 such as recycling and managing closed landfills.

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 to dispose of refuse and enhance their own local environments.

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

The occupiers of new developments are an identifiable part of the wider community that can benefit from additional capacity being provided in the water supply schemes.

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

The direct beneficiaries of the refuse activity are the people and businesses who dispose of waste in the district. Major parts of the activity, that is the collection and disposal of private refuse, and operation of recycling and green waste facilities, are 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?

Council is not obliged by law to provide waste services directly, but must ensure that these services are provided in the district. Council has contracted to provide the service for collection and disposal of refuse for a period of up to 10 years subject to satisfactory performance. It is unlikely that the benefit will cease to occur during the term of the contract.

Landfill rehabilitation and subsequent monitoring will continue for at least 20 years and possibly longer depending on the conditions placed on resource consents. The benefits of this activity will therefore continue well into the foreseeable future.

If it requires development or financial contributions for the refuse activity, Council is able to extend the period of recovery of capital expenditure to ensure that developers in the Long Term Plan period do not meet the full costs of that expenditure and that a portion of it is attributed to future developers.

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 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 contribute to litter and illegal dumping in the district;
- All members of the community who have an interest in waste minimisation and the conservation of resources;
- Future users of the service who will benefit from existing assets; and
- 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 that of other activities. There would, however, be an increased cost in collecting it separately. The rating mechanisms used to collect these rates will therefore be amalgamated with other activities to reduce collection costs.

It is 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?

In the past waste operators have jointly funded capital expenditure with Council. 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 will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	High
Targeted rates	
Fees and charges	Low
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

Services relating to landfills are funded entirely through a district general rate because the district as a whole benefits rather than any identifiable person or group.

A high portion of funding for waste collection can be obtained through fees and charges and through a land value based general rate. A general rate is also appropriate to fund litter control.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	No
Lump Sum Contributions	Yes	No
Fees and Charges	Yes	No
Interest and Dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development Contributions	No	Yes
Financial Contributions	No	Yes
Grants and Subsidies	No	No
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

Capital expenditure that increases the level of service of existing assets or replaces them, benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. 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.

Development and financial contributions are used for funding the additional capacity portion of capital projects and effects mitigation associated with new developments. New development placing additional demand on refuse installations and assets may be required to pay development or financial contributions for those assets.

Capital expenditure for additional capacity can provide benefits for both new development arriving in the Long Term Plan period and future development arriving after that. Council considers it appropriate to use development and financial contribution methodology to recover the costs associated with this expenditure over the time period over which the development is occurring.

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

Use of depreciation reserves (general rates) reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required.

Stormwater

Stormwater is managed differently across the district:

- Council provides a reticulated stormwater system in Dargaville with some open drains;
- Stormwater control in Mangawhai is provided by a combination of soakage, stormwater reticulation and open drains;
- Stormwater systems in Baylys, Te Kopuru, Kaiwaka, Pahi, Whakapirau, Tinopai, Paparoa and Maungaturoto are predominantly related to the road network; and
- Road culverts are provided in Tinopai, Kelly's Bay and Glinks Gully.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes to all three Community Outcomes, primarily "A trusted Council making good decisions for the future" as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> • Providing a base level of drainage so that urban areas are not affected by a one-in-five year storm • Stormwater helps to ensure uninterrupted operation of businesses and prevent damage to building property.
A district with welcoming and strong communities	<ul style="list-style-type: none"> • Supporting communities to use local solutions e.g. <ul style="list-style-type: none"> ○ allowing/using retention ponds for stormwater management ○ encouraging harvesting rainwater where appropriate • Providing infrastructure to help build safe and healthy communities by minimising risks due to stormwater and retaining a pleasant living environment.
A district with plenty of active outdoor opportunities	<ul style="list-style-type: none"> • Complying with all regulations including consent conditions (community and Council) <ul style="list-style-type: none"> ○ ensuring council's infrastructure complies ○ enforcing compliance of private owners with their consents • Ensuring hazard reduction or mitigation.

This activity's contribution to progressing Council Outcomes at a district level is considered to be medium.

Does the activity generate benefits to the community as a whole (district-wide)?

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 district to go about their normal business. 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.

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

Urban stormwater systems mainly benefit the local communities within which they are built by ensuring access and safety from flooding in those areas.

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

The occupiers of new developments are an identifiable part of the wider community that can benefit from additional capacity being provided in stormwater systems.

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

Stormwater systems benefit private individuals and give protection to their property and enable people to go about their normal business unimpeded by stormwater flows and ponding. However, it is not easy to identify all those who benefit individually. Undoubtedly, those properties that are directly connected to stormwater systems can be identified but many other properties have run-off spilling onto roads and into other areas connected to the system. It is therefore not considered feasible to identify and charge individuals for the service.

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

Council is committed to the ongoing supply of this service, as it is an essential part of enhancing the quality of life for residents and visitors. Both existing, new and future ratepayers will benefit from the activity over time. If it requires development or financial contributions for the stormwater activity, Council is able to extend the period of recovery of capital expenditure to ensure that developers in the Long Term Plan period do not meet the full costs of that expenditure and that a portion of it is attributed to future developers.

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

While the need for this activity is not created by the activity of people or groups alone, urbanisation exacerbates the effects of weather events, by altering the natural flow of water while impermeable surfaces (such as roofs, parking areas, and roads) generate more run-off than would naturally occur.

Those who are considered to contribute to the need for 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; and
- 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 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 Council to collect funding only from the specific areas that most benefit from the service.

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 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.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	Low
Targeted rates	High
Fees and charges	
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

A portion of funding for this activity is obtained through district-wide rates because there are general benefits to all ratepayers from the management of stormwater in urban areas. A larger portion of rates is targeted to those who directly receive the service, as these direct beneficiaries can be identified within areas where the stormwater activity is provided.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	No
Lump sum contributions	No	No
Fees and charges	No	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	Yes
Financial contributions	No	Yes
Grants and subsidies	No	No
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

Capital expenditure that increases the level of service of existing assets or replaces them, benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. 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.

Development and financial contributions are used for funding the additional capacity portion of capital projects and effects mitigation associated with new developments. New development within or connecting to a stormwater scheme may be required to pay development or financial contributions for that scheme.

Capital expenditure for additional capacity can provide benefits for both new development arriving in the Long Term Plan period and future development arriving after

that. Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth is occurring.

Funding for capital expenditure by general and targeted rates is based on the same rationale as that for operating 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.

Use of depreciation reserves (general rates) reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required.

Wastewater - Mangawhai

Council owns and operates a wastewater scheme servicing or able to service around 2,000 properties in the Mangawhai Village and Heads areas. The system includes around 112 kilometres of pipeline and 18 pump stations, a water reclamation plant, and a transfer main to Lincoln Downs where the treated water is stored awaiting irrigation to pasture.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes to “A trusted Council making good decisions for the future” and “A district with plenty of active outdoor opportunities” as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> • Providing the infrastructure needed by our communities. • Wastewater services support businesses and their workers. By providing infrastructure services, this activity supports growth of the local economy. • Provides safe wastewater services that protect public health. • Connect properties to existing services where this is economical and supports good environmental outcomes
A district with plenty of active outdoor opportunities	<ul style="list-style-type: none"> • Complying with all regulations including consent conditions (community and Council) <ul style="list-style-type: none"> ○ ensuring Council’s infrastructure complies ○ enforcing compliance of private owners with their consents • Disposes of treated wastewater in ways that minimise environmental harm. Through this, contributes to the protection of natural ecosystems.

This activity plays an important role in enabling community well-being. Its overall contribution to progressing Community Outcomes at a district level is considered to be high.

Does the activity generate benefits to the community as a whole (district-wide)?

The direct beneficiaries from the Mangawhai wastewater activity include those who are connected to or have the opportunity to be connected to the Mangawhai wastewater system, as they can dispose of their own wastewater safely and conveniently through the network.

Properties outside of the scheme area do not have the option of directly using this service unless they come to a separate agreement with Council.

However, there is some benefit to the wider community and for people visiting the district because the scheme helps ensure the Mangawhai Harbour, sea and soils are kept clean through collecting and treating wastewater in order to meet environmental standards. That has flow on effects to public health which is also in the interests of the district as a whole. It is also not realistic to continue to fund the Mangawhai Wastewater Scheme from the existing catchment. Part of the scheme capital costs as it relates to existing users, is funded from a general rate across the district. This adjustment is made following consideration of the provisions under section 101(3)(b).

The wastewater infrastructure is essential to Mangawhai to help promote a healthy, robust, attractive, economically viable community. In turn, there is interdependency between communities such as Mangawhai, the rural hinterland and 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 direct benefits of the Mangawhai wastewater activity are to those users on the system who are readily identifiable by virtue of connection to the scheme or if not connected, the direct availability of the scheme. Council knows 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 can be reflected in the availability charge obtained through a targeted rate.

While visitors and tourists coming to Mangawhai, benefit from and cause capital expenditure in wastewater infrastructure, expenditure attributable to these groups cannot be cost-effectively determined or recovered from them.

The occupiers of new developments are an identifiable part of the wider community that can benefit from additional capacity being provided in the Mangawhai wastewater system.

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.

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

Except in very restricted circumstances, the Local Government Act 2002 does not allow Council to divest itself of ownership of its wastewater services. The benefits of the activity will therefore continue to occur into the foreseeable future. If it requires development or financial contributions for the Mangawhai wastewater activity, Council is able to extend the period of recovery of capital expenditure to ensure that developers in the Long Term Plan period do not meet the full costs of that expenditure and that a portion of it is attributed to future developers.

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 driven by higher environmental standards as well as non-human influences such as rainfall. These factors are outside of

the control of individuals or groups related to the district. 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 the Mangawhai urban area, in particular, those contributing polluted water to the network.

All members of the district are all 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.

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.

The recent upgrades of the Mangawhai wastewater treatment plant provide for a significant portion of additional capacity capable of serving new development in the town for some years to come. As such, it is proposed that Council will not require the current ratepayers to fund the depreciation on the scheme for the 2015/2016 year. It is then proposed that the funding of depreciation will be introduced progressively from 2016/2017 onwards so that by 2021/2022 it is being fully funded.

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 Council to collect funds specifically from those who receive the service or benefit in other ways.

The Mangawhai wastewater scheme presents specific funding issues for Council. It is prudent to fund all other wastewater schemes in the district separately from the Mangawhai wastewater scheme.

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

Ministry of Health subsidies have been obtained for the Mangawhai wastewater activity but no further subsidies are anticipated.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	Low
Targeted rates	High
Fees and charges	
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

A low portion of funding is obtained from the general rates, recognising the district-wide benefits of this activity. A high portion of rates is applied equally to those who receive the service and who benefit directly through availability as well as those in the Mangawhai Harbour restoration catchment.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	No
Lump sum contributions	Yes	No
Fees and charges	No	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	Yes
Financial contributions	No	Yes
Grants and subsidies	No	No
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

Capital expenditure that increases the level of service of existing assets or replaces them, benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. 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.

Development and financial contributions are used for funding the additional capacity portion of capital projects and effects mitigation associated with new developments. All new development connecting to the wastewater scheme will pay the wastewater development contribution. 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.

Capital expenditure for additional capacity can provide benefits for both new development arriving in the Long Term Plan period and future development arriving after that. Council considers it appropriate to use the development contribution methodology to recover the costs associated with this expenditure over the time period over which the development is occurring.

Funding for capital expenditure by targeted rates is based on the same rationale as that for operational expenditure. Council also funds a low proportion of the capital cost of developing the scheme for existing users from the general rates. This adjustment is made in accordance with the provisions of section 101(3)(b).

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 (general rates) reflects the inevitable deterioration of assets over time, and the need to set aside funds for their replacement when required.

Wastewater – Other

Council provides wastewater collection and treatment systems in:

- Kaiwaka – servicing around 188 houses and businesses. The system includes around 5.5 kilometres of pipeline, 1 pump station, a treatment plant (a single oxidation pond and wetland) discharging to the Kaiwaka Stream.
- Maungaturoto – servicing approximately 393 properties. The system includes around 12.4 kilometres of pipeline, 3 pump stations, a treatment plant (single oxidation pond and membrane filtration system) discharging into the Wairoa River on each outgoing tide.
- Dargaville – servicing the urban area except part of the Beach Road industrial area. The system includes around 45.4 kilometres of pipeline, 14 pump stations, a treatment plant (oxidation pond and maturation pond) with a continuous discharge to the Northern Wairoa River.
- Glinks Gully – servicing 23 properties. The system includes around 495 metres of pipeline and 1 pump station to a treatment plant and disposal area.
- Te Kopuru – servicing 213 properties in the urban area. The system includes around 6.7 kilometres of pipeline, a treatment plant (oxidation pond and wetland) discharging to the Northern Wairoa River.
- Council also regulates trade waste discharges to the wastewater system.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes to “A trusted Council making good decisions for the future” and “A district with plenty of active outdoor opportunities” as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> • Providing the infrastructure needed by our communities. • Wastewater services support businesses and their workers. By providing infrastructure services, this activity supports growth of the local economy. • Provides safe wastewater services that protect public health. • Connect properties to existing services where this is economical and supports good environmental outcomes

Community Outcome	We do this by...
A district with plenty of active outdoor opportunities	<ul style="list-style-type: none"> • Complying with all regulations including consent conditions (community and Council) <ul style="list-style-type: none"> ○ ensuring Council's infrastructure complies ○ enforcing compliance of private owners with their consents • Disposes of treated wastewater in ways that minimise environmental harm. Through this, contributes to the protection of natural ecosystems.

This activity plays an important role in enabling community well-being. Its overall contribution to progressing Community Outcomes at a district level is considered to be high.

Does the activity generate benefits to the community as a whole (district-wide)?

The direct beneficiaries of the wastewater activity include those who are connected to or have the opportunity to be connected to 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 out-of-scheme 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.

Council is of the view that there is a limit to the costs that direct users of a scheme should be required to pay particularly in smaller schemes where they are not able to benefit from economies of scale. From time to time, therefore council may need to propose putting a cap on individual scheme user charges at what it considers to be an affordable level. Any costs above this cap would then be transferred to the district general rate. These adjustments would be made following consideration of the provisions of section 101(3)(b).

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

The direct benefits of the wastewater activity are to those users on the system who are readily identifiable by virtue of connection to a Council wastewater scheme or if not connected, the direct availability of a scheme. Council knows 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 can be reflected in the availability charge obtained through a targeted rate.

While visitors and tourists benefit from and cause capital expenditure in most of the district's community facilities and infrastructure, including wastewater, expenditure attributable to these groups cannot be cost-effectively determined or recovered from them.

The occupiers of new developments are an identifiable part of the wider community that can benefit from additional capacity being provided in the wastewater schemes.

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. Council does not accept trade wastes to its wastewater systems other than by agreement. Such agreements, if they are made may be subject to fees and charges.

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

Except in very restricted circumstances, the Local Government Act 2002 does not allow Council to divest itself of ownership of its wastewater services. The benefits will therefore continue to occur into the foreseeable future. If it requires development or financial contributions for the wastewater activity, Council is able to extend the period of recovery of capital expenditure to ensure that developers in the Long Term Plan period do not meet the full costs of that expenditure and that a portion of it is attributed to future developers.

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 driven by higher environmental standards as well as non-human influences such as rainfall. These factors are outside of the control of individuals or groups related to the district. 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. Council may reach agreements with trade waste generators and recover costs by agreement.

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 benefits from the funding of targeted rates by area of service separately as this enables Council to collect funds specifically from those who receive the service.

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

There is the possibility of obtaining Ministry of Health subsidies for the wastewater activity. Charges may be levied on trade water producers if Council reaches agreements to accept trade waste to its wastewater schemes.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	Low
Targeted rates	High
Fees and charges	
Interest and dividends from Investments	
Borrowing ¹	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

A very small portion of funding may be obtained through fees and charges from generators of trade waste, who can be identified and charged for the service by agreement.

A high portion of rates is applied equally to those who receive the service and who benefit directly through a targeted rate.

¹ Borrowing for operating expenditure is only permitted for spreading desludging costs to avoid rates spikes in the year the desludging occurs.

General rates may be used to cap charges at an affordable level where small numbers in the schemes can make full funding from within the area of service onerous.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	No
Lump sum contributions	Yes	No
Fees and charges	No	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	Yes
Financial contributions	No	Yes
Grants and subsidies	Yes	No
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

Capital expenditure that increases the level of service of existing assets or replaces them, benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. 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.

Development and financial contributions are used for funding the additional capacity portion of capital projects and effects mitigation associated with new developments. New development connecting to a wastewater scheme may be required to pay development or financial contributions for that scheme.

Capital expenditure for additional capacity can provide benefits for both new development arriving in the Long Term Plan period and future development arriving after that. Council considers it appropriate to use development and financial contribution methodology to recover the costs associated with this expenditure over the time period over which the development is occurring.

Funding for capital expenditure by targeted rates 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.

Use of depreciation reserves (general rates) 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.

Water Supply

Communities with water supplied are Maungaturoto, Ruawai, Dargaville (including Baylys) and Glinks Gully. Fonterra receives untreated water from the Maungaturoto supply. A smaller scheme at Mangawhai services the Mangawhai Heads Camp Ground, Wood Street shops, public toilets, community housing and 17 other connections.

Which Community Outcomes does the activity primarily contribute to?

This activity contributes to all three Community Outcomes, primarily “A trusted Council making good decisions for the future” as set out below.

Community Outcome	We do this by...
A trusted Council making good decisions for the future	<ul style="list-style-type: none"> • Providing a base level of supply for businesses where a need is proven • Reliable access to clean and safe water is needed by most businesses. By providing infrastructure services, this activity supports growth of the local economy.
A district with strong and welcoming communities	<ul style="list-style-type: none"> • Supporting communities to use local solutions e.g. encouraging harvesting rainwater for domestic and commercial use where appropriate • Providing a base level of supply to communities where a need is proven • Contributing to a safe living environment by providing safe drinking water and water for firefighting. • Helps maintain public health standards
A district with plenty of active outdoor opportunities	<ul style="list-style-type: none"> • Complying with all regulations including consent conditions (community and Council) <ul style="list-style-type: none"> ○ ensuring Council's infrastructure complies ○ enforcing compliance of private owners with their consents • Balances the provision of this service with environmental protection. If done well, minimises the impact of taking water from the natural environment.

This activity plays an important role in enabling community well-being. Its overall contribution to progressing Community Outcomes at a district level is considered to be high.

Does the activity generate benefits to the community as a whole (district-wide)?

Water supply is an essential service for maintaining public health and the protection of property from fire. Although water supply provides benefits to the whole of the community by maintaining public health standards, it mainly benefits particular communities.

Council is of the view that there is a limit to the costs that direct users of a scheme should be required to pay particularly in smaller schemes where they are not able to benefit from economies of scale. Council therefore retains the option to put a cap on individual scheme user charges at what it considers to be an affordable level. Any costs above this cap would then be transferred to the district general rate. These adjustments are made following consideration of the provisions of section 101(3)(b).

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 by virtue of connection to a Council water supply scheme or if not connected, the direct availability of a scheme.

Council knows 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 can be reflected in the availability charge obtained through a targeted rate.

While visitors and tourists benefit from and cause capital expenditure in most of the district's community facilities and infrastructure, including water supply infrastructure, expenditure attributable to these groups cannot be cost-effectively determined or recovered from them.

The occupiers of new developments are an identifiable part of the wider community that can benefit from additional capacity being provided in the water supply schemes.

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.

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

Except in very restricted circumstances, the Local Government Act 2002 does not allow Council to divest itself of ownership of its water supply services. The benefits will therefore continue to occur into the foreseeable future. If it requires development or financial contributions for the water activity, Council is able to extend the period of recovery of capital expenditure to ensure that developers in the Long Term Plan period do not meet the full costs of that expenditure and that a portion of it is attributed to future developers.

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 who, by demanding the service, are considered to contribute to the need for Council to carry out this activity include:

- those who require connection to the service to ensure supply of safe water for household or business use;
- members of particular communities who contribute to the demand for water for safe drinking and potential firefighting at home or in other places where 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 a benefit from funding targeted rates by area of service separately as this would enable Council to collect funds specifically from those who receive the service. It is also useful to collect funds separately by location (e.g. rural or urban) as this enables Council to charge users appropriately for the level of service offered in those locations. 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 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 Dargaville, Baylys, Ruawai, Maungaturoto and Glinks Gully.

How will the activity be funded in the Long Term Plan 2018/2028?

Operating expenditure will be funded as shown:

	Funding portion
General rates	
Targeted rates	High
Fees and charges	Low
Interest and dividends from Investments	
Grants and subsidies	
Fines, infringement fees, local authority fuel tax and any other source	

Summary of appropriate funding sources for operating expenditure

A high portion of rates is applied equally through a targeted rate to those who receive the service and who benefit directly and those who have the service available to them. Fees and charges can be applied to those connected to water supply schemes based on consumption.

General rates are used to cap charges at an affordable level where small numbers in the schemes can make full funding from within the area of service onerous.

Capital expenditure will be funded as shown:

	ILOS & Renewal	Additional Capacity
General and targeted rates (including depreciation)	Yes	No
Lump sum contributions	Yes	No
Fees and charges	Yes	No
Interest and dividends from investments	No	No
Borrowing	Yes	Yes
Proceeds from asset sales	Yes	No
Development contributions	No	Yes
Financial contributions	No	Yes
Grants and subsidies	No	No
Other sources	No	No

Summary of appropriate funding sources for capital expenditure

Capital expenditure that increases the level of service of existing assets or replaces them, benefits existing ratepayers, while capital expenditure that provides additional capacity benefits future ratepayers. 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, ensuring that future users pay a share of the cost of assets.

Development and financial contributions are used for funding the additional capacity portion of capital projects and effects mitigation associated with new developments. New development connecting to a water scheme may be required to pay development or financial contributions for that scheme.

Capital expenditure for additional capacity can provide benefits for both new development arriving in the Long Term Plan period and future development arriving after that. Council considers it appropriate to use development and financial contribution methodology to recover the costs associated with this expenditure over the time period over which the development is occurring.

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 (general rates) 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.

ANNEXURE

The Outcomes we wish to achieve for the community are:

A trusted Council making good decisions for the future

He Kaunihera pono rawa ki te tuku whakatau tika mo nga kaupapa tua atu

– we aspire to being a district that has sufficient economic activity to support the well-being of our communities and residents.

This means that Council will:

- Support the promotion of the district as a destination
- Provide a clear and enabling planning framework
- Provide fit-for-purpose local infrastructure and services required for businesses and communities
- Provide efficient regulatory services

A district with welcoming and strong communities

He takiwaa whakakaha haapori i runga i nga manaakitanga

– we aspire being a district that has strong communities where people have a sense of belonging and work together.

This means that Council will:

- Support the community to volunteer and to work together to support the development of their community
- Support a range of recreation and leisure opportunities
- Respecting and nurturing a sense of place in our communities
- Advocate for the needs of our diverse communities

A district with plenty of active outdoor opportunities

He takiwaa maha i nga whakatatae a taiao

– we aspire to being a district that is renowned for our beautiful environment.

This means that Council will:

- Make it easier for people to enjoy the coast and waterways of the district
- Make it easy for people to access natural areas throughout the district
- Identify and protect environmentally important areas
- Ensure that future development is sensitive to our physical environment