

Draft long term plan 2018-38
Consultation - supporting information

Revenue and financing policy



Revenue and Financing policy

Background

The Local Government Act 2002 (LGA) requires the Council to adopt a range of policies in order to provide predictability and certainty about sources and levels of funding. These policies include a revenue and financing policy, which includes consideration of the following funding principles.

Funding principles

When making funding policy the Council must work through the process and matters set out in section 101(3) of the LGA and have regard to the section 101(1) obligation to act prudently and in the interests of the community.

Section 101(3) analysis is basically a two-step process, as discussed below.

First step considerations

The first step requires consideration *at activity level* of each of the following:

1. Community outcomes to which the activity primarily contributes;
2. The distribution of benefits between the community as a whole, and any identifiable parts of the community and individuals;
3. Period over which benefits occur;
4. The extent to which actions or inactions contribute to a need to undertake the activity pays principle, and
5. The costs and benefits of funding the activity distinctly from other activities.

No single criterion has greater weight *in law* than the others. The Council may adopt a policy that assigns more weight to one than the others, but the Council must

consider all the criteria, and be able to demonstrate this consideration to the public.

1. Community outcomes to which the activity primarily contributes

The LGA requires the Council (through its revenue and financing policy) to consider the community outcomes to which each activity primarily contributes.

The LGA defines community outcomes 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.

The draft 2018-38 long term plan is constructed around a set of ten-year outcomes identified by the Council and based on community feedback.

- improved financial position against financial constraints;
- infrastructure investment that supports resilience and agreed growth projections;
- improved accessibility of Council services;
- an effective response to climate change in Kāpiti;
- a positive response to our distinct district identity;
- community satisfaction with Council services is maintained or improved;

- a more diverse range of business in the district;
- a community that is more resilient through Council's advocacy;
- a community better supported to lead initiatives in response to agreed community priorities;
- improved biodiversity and environment through sustainable practices; and
- WREMO levels of service consistently met or exceeded in response to emergency preparedness.

The Council manages 13 activities to support the achievement of these outcomes. An activity is an action area where Council delivers services to the community. The sections on pages 7-34 indicate which community outcomes are supported by each activity.

The 13 activities are grouped into four clusters as follows:

CLUSTER	ACTIVITY
Infrastructure	Coastal Management
	Access and Transport
	Water
	Stormwater Management
	Wastewater Management
	Solid Waste

2. *The distribution of benefits between the community, identifiable parts and individuals*

The LGA requires Council to specify who benefits from the activity, and the answer may lie in one or more of the following:

- the community as a whole;
- individuals; and
- identifiable groups in the community.

The community as a whole means all residents and ratepayers. Benefits to the community as a whole accrue when individual users cannot be easily identified or cannot be easily excluded from entry or where the community in general derives benefit from the activity. Activities that benefit the community as a whole are generally good candidates for funding mechanisms levied on the community as a whole; for example, a general rate.

Activities that benefit individuals or groups tend to be better candidates for mechanisms that recover the costs from those individuals or groups; for example, targeted rates, fees, and charges.

Many activities provided by local authorities tend to fall somewhere between these. In these cases, depending on other analyses, a local authority might apply a mix of tools.

3. *Period over which benefits occur*

This is the 'intergenerational equity' principle. Many of the activities provided by local government are either network or community infrastructure (for example, roads and stormwater channels), which last for a long time. Benefits from infrastructure can be expected to last for the life of the asset. This matter requires consideration of how the benefits and costs

Community Services	Recreation and Leisure
	Community Facilities and Community Support
	Parks and Open Spaces
	Economic Development
Planning and Regulatory Services	Regulatory Services
	Districtwide Planning

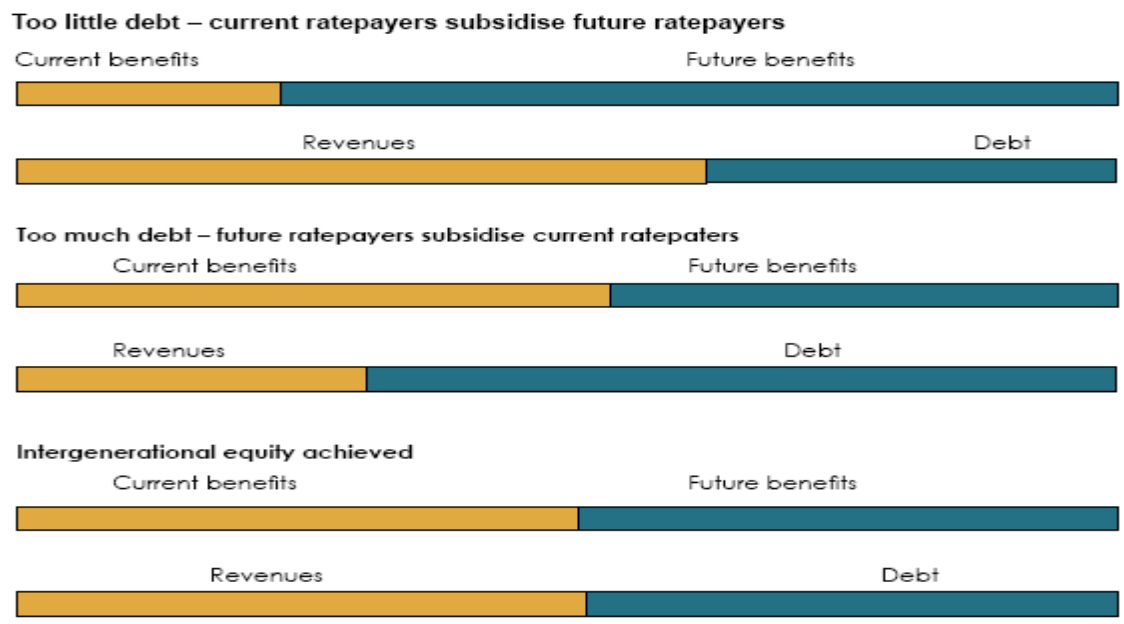
Governance and Tāngata Whenua	Governance and Tāngata Whenua
-------------------------------	-------------------------------

for the assets are distributed over time, so that current day ratepayers are not meeting the entire burden of paying for them now. This is illustrated in Figure 1.

The main tool for ensuring intergenerational equity is the use of debt, and then rating future ratepayers to service the debt. This is similar to the way in which many people purchase their first homes. A decision not to borrow for new capital is effectively a decision that current ratepayers should meet the cost of services that future ratepayers will consume, and should be made as a conscious policy choice.

A meaningful assessment of intergenerational equity requires rigorous asset management information that sets out service levels, current and predicted asset conditions, expected service lives, programmes of capital, maintenance and renewal. The information source for this is an asset management plan.

Figure 1: The Intergenerational Equity Principle in Action



4. *The extent to which actions or inactions contribute to a need to undertake the activity*

This is the ‘exacerbator pays’ principle which basically holds that those groups or individuals whose actions or inactions give rise to a need to undertake a particular activity should contribute, where possible, to the costs of that activity.

5. *Costs and benefits from funding the activity distinctly from other activities*

This is a requirement to consider whether there is any advantage to funding the activity distinctly from others; for example, from a targeted source (such as a targeted rate, fee or charge etc.) or from a general funding source (such as rates). The costs and benefits of funding the activity distinctly from other activities can include any consequences for transparency and accountability.

The legislation specifically requires consideration of ‘consequences for transparency and accountability’. This might include:

- *the financial scale of the activity* – the smaller the activity, the less likely it is that distinct funding will be economic;
- *the administrative costs that would be involved in funding the activity separately* – for example, the cost of creating the information necessary to administer a targeted rate on the rating information database and adding extra information to the invoice, invoicing and collection of a fee or charge etc;
- *legal requirements* – occasionally the law may require an activity to be ‘ring-fenced’. For example, if a local authority is contemplating some capital work and wishes to offer ratepayers a lump sum contribution option then it must apply a targeted rate (for those who

choose not to pay a lump sum contribution at least for the capital component);

- *the distribution of benefits among the community may aid a decision* – for example, something that is of benefit to a subset of the community may be a stronger candidate for distinct funding than something that benefits the community as a whole;
- *promotion of value* – separating some activities, especially those to be funded from rates, may assist a local authority in its promotion of value for money. This is particularly relevant for some of the utility based activities such as water and sewage disposal. There may also be other activities in which a local authority may perceive a benefit in the community being able to see what it is ‘getting for its money’; and
- *other benefits and costs.*

Second step considerations

The second step requires consideration of the overall impact of any allocation of liability for revenue needs on the community, and to consider if any changes are needed. This involves weighing up the impact of rates on the community. Such considerations might include:

- affordability - the ability to pay by low income households;
- barriers to access services;
- legal constraints;
- materiality;
- sustainability;
- fair treatment of the business sector - balancing the ability to pay and the benefits actually received.

The Council may, as a final measure, modify the overall mix of funding in response to these considerations.

Rating system review

To achieve the best rating system in terms of fairness and the ability of ratepayers to pay their contribution to the community's future, the rating system and the revenue and financing policy is reviewed three yearly, as required by legislation.

Overview of the Council's funding mechanisms

As required and permitted in s103(2) of the LGA, the Council uses a range of funding tools, mechanisms and sources for operating and capital expenditure. These tools help to allocate liability (i.e. who should be contributing to the costs) across different sectors of the community.

General rates

General rates are used where benefits flow to the district as a whole, where Council considers the community as a whole should meet the costs of those services and when the

Council is unable to meet its user charge targets. The general rate is set on land value, on a differential basis.

The Council does not assess a uniform annual general charge.

Targeted rates

Targeted rates are used when the Council considers that transparency is important, or where the location or method of rating makes the use of a targeted rate more appropriate and more equitable.

Refer to the Funding Impact Statements – Rating Policies in the draft 2018/38 long term plan which outlines the Council's rating policies, in particular the funding mechanisms and the rating bases for these mechanisms.

Subsidies and grants

Most grants and subsidies are sourced primarily from central government and are typically related to specific activities. The main source of government subsidy is from the New Zealand Transport Agency (NZTA) to subsidise the construction of new local roading and the maintenance and renewal of existing local roading. The Council also receives a subsidy distribution of local authorities' petrol tax.

Fees and charges

The Council uses a range of fees and charges to recover a proportion of the costs of providing Council facilities and services. Generally, the greater the degree of identifiable private benefit, the more likely it is that the service costs can be recovered through fees and charges.

Interest and dividends from investments

The Council receives an annual dividend from its investment in the Local Government Funding Agency and interest income from its working capital balances and term deposits.

Fines, penalties and infringement fees

This includes penalties for late payment of rates, traffic infringements, library fines and fines for dog prosecution and noise control.

Borrowing

The Council borrows money to fund capital works where other sources of funding are not available or not appropriate. It may also enter into short-term borrowing arrangements for the management of cashflows. More detail about Council's borrowing is set out in its treasury management policy.

Proceeds from asset sales

Proceeds from asset sales will be used for the repayment of debt or the acquisition of new assets.

Development contributions and financial contributions

Section 198 of the LGA allows the Council to require a contribution for developments to ensure that a fair proportion of the cost of infrastructure needed to serve growth is funded by those who cause the need for that infrastructure (i.e. the developments leading to growth).

The Council currently has the ability to take financial contributions from new development under the Kāpiti Coast District Plan to avoid, remedy, or mitigate the adverse effects of development activities on the environment.

Lump sum contributions

Lump Sum contributions are where ratepayers are asked to make a capital (or lump sum) payment towards meeting the cost of providing a particular asset in their community rather than pay for these capital costs via an annual targeted rate.

Funding of operating expenditure

Operating revenue is set at such a level for the Council to meet its projected operating expenditure, as well as comply with applicable legislation and generally accepted accounting practice. The Council will use a mix of revenue sources to meet operating expenses, the major components of which are provided in the table below:

Allocation of funding for operating expenditure	Six-year average from 1 July 2018 to 30 June 2024
Districtwide general rate	29%
Targeted rates	54%
Fees and charges	11%
Grants and subsidies	6%
Other operating income	0%
Total	100%

Funding of capital expenditure

The Council's funding of capital expenditure must comply with applicable legislation and generally accepted accounting practice, and is derived from a mix of revenue sources. The method of funding generally depends on the asset expenditure – whether it is a renewal of an existing asset or an upgrade of an existing asset or a completely new asset.

The key funding mechanism for asset renewals is depreciation, which means that the funding is effectively through rates.

Regarding infrastructure, there are two components of upgrade – a growth component to cater for the increased population and a level of service component which reflects community demands for new assets. The growth portion of our asset upgrades is funded largely by development contributions and the level of service portion is largely funded by debt.

The major sources of funding for capital expenditure are provided in the table below:

Allocation of funding for capital expenditure	Six-year average from 1 July 2018 to 30 June 2024
Depreciation	78%
Borrowings	6%
Capital grants	12%
Development contributions	4%
Total	100%

The Council prepares this long term plan with a commencement date of 1 July 2018. The following tables provide a summary of the proposed funding considerations for the 13 Council activities.

Coastal Management	
Nature of benefit/activity	<ul style="list-style-type: none"> protection of Council-owned (community) assets: <ul style="list-style-type: none"> roading; and other assets*, support of community coastal restoration initiatives focused on the protection and restoration of natural dune and coastal processes**, and ongoing investigation and documentation of coastal hazards and management of areas of high and outstanding natural character. <p>Notes:</p> <p>* Such an activity purpose should not be construed as an absolute commitment to protection of all Council assets as a matter of course. Decisions will be made on a case by case basis, as set out under the relevant asset plan and guided by the Coastal Strategy.</p> <p>**This activity purpose does not include investment in, or responsibility for, the protection of private assets. This indicates a funding source for community initiatives and does not commit to any particular action.</p> <p>Where public intervention to protect public assets also creates private benefit via protection of private assets, the Council may seek contribution to the cost of the works based on the specific analysis of the private benefit created.</p>
Council outcomes to which the activity contributes	<ul style="list-style-type: none"> infrastructure investment supports resilience and agreed growth projections; and an improved financial position against financial constraints.
<p>Who benefits - exacerbator or individuals or groups of individuals or community as a whole?</p> <p>Can the beneficiaries be identified?</p> <p>Public benefits?</p> <p>Period of benefits</p>	<ul style="list-style-type: none"> community – all users of public assets protected; community generally – protection and restoration of coastal character and systems; and opportunities for private benefit from actions to protect public assets. <p>Yes, but private beneficiaries are a consequence of an action to protect a public asset (there is an explicit policy intention not to protect private assets).</p> <p>Primarily public benefit – any private benefit is an unintended consequence.</p> <p>Ongoing benefits for the period the infrastructural assets are being maintained and renewed.</p>
Who/what creates need?	Cumulative actions of settlement, climate processes, and the action of the sea.
Costs and benefits of distinct funding	Almost all benefits of this activity flow to the community as a whole, though there is a small amount of consequential private benefit. The cost of identifying, quantifying and recovering any such private benefits exceed any benefits this might provide.
Overall impact of allocation of liability	Coastal management costs are fully subsidised by the community. An increase in costs will flow directly to the community. Conversely, any reduction to these costs in each financial year will benefit the community.

Coastal Management	
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <ul style="list-style-type: none"> • 100% public <p>Funded by:</p> <ul style="list-style-type: none"> • districtwide general rate (non-roading assets); and • districtwide roading rate (roading assets). <p><u>Capital costs:</u></p> <ul style="list-style-type: none"> • 100% public. <p>Funded by:</p> <ul style="list-style-type: none"> • districtwide general rates; • borrowings; and • central government subsidies.

Access and transport	
Nature of benefit/activity	<ul style="list-style-type: none"> provision of transport network and associated facilities for walking, cycling, vehicles and passenger transport; maintenance, renewal and upgrading of the roading network including roads, cycleways, walkways and bridleways, traffic management services, environmental services etc; road safety education programmes; access links between public private spaces, facilities, social services, recreation etc; and design focus has a wider benefit of urban amenity linked to community wellbeing.
Council outcomes to which the activity contributes	<ul style="list-style-type: none"> infrastructure investment in access and transport supports resilience and agreed growth projections; an improved financial position against financial constraints; an effective response to climate change in Kāpiti; and a positive response to our distinct district identity.
Who benefits - exacerbator or individuals or groups of individuals or community as a whole?	<ul style="list-style-type: none"> the entire community benefits from accessibility of district and ease of transportation throughout the district (for example access to work and local economy, health and recreation, and environmental quality); network users; and land developers – creates access to new developments.
Can the beneficiaries be identified?	For capacity upgrade component from new developments, however, cannot differentiate individual network users at local level (central government petrol tax addresses this).
Public benefits?	Safety and accessibility; management of traffic flows in terms of amenity and impacts, health and economic return to district of access to services and facilities etc.
Period of benefits	Ongoing benefits for the period the infrastructural assets are being maintained and renewed.
Who/what creates need?	The entire community creates the need for an accessible urban environment where transport links are readily available for both business and public use, including mode choice.
Costs and benefits of distinct funding	There are wide variations in the benefits received and impacts created by different road users. Therefore it is appropriate for a targeted rate, which includes a differential category reflecting different volumes of usage, to be applied to this activity.
Overall impact of allocation of liability	The majority of the roading cost is subsidised by NZTA, an increase in cost will result in an increase of local council share as well as an increase of required subsidy. A small portion is funded by the community only and an increase in these budgets will result in increased costs to the community. Examples of these budgets are the berm maintenance budget and the litter removal budget.

Access and transport	
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <ul style="list-style-type: none"> • 65% public and 35% private via central government allocations of road tax on individual users. <p>Funded by:</p> <ul style="list-style-type: none"> • districtwide roading rates; • petrol tax; • districtwide roading fixed charges; and • central government – NZTA subsidy (50% in 18/19 and 51% in 19/20 and 20/21). <p><u>Capital costs:</u></p> <ul style="list-style-type: none"> • 100% public-funded for works not incurred due to private development; and 49%-50% for NZTA subsidised works. • development contributions for capacity incurred for private development proportional to level incurred. <p>Funded by:</p> <ul style="list-style-type: none"> • borrowings; • development contributions; • districtwide roading rates/fixed charges; and • NZTA subsidy (50%-51%).

Water	
Nature of benefit/activity	<ul style="list-style-type: none"> • efficient use of water and management of effects on the environment; • efficient use of potable water; • maintenance of safe and efficient provision of drinking water; • maintenance of health standards; and • services provided for commercial and fire-fighting purposes.
Council outcomes to which the activity contributes	<ul style="list-style-type: none"> • infrastructure investment supports resilience and agreed growth projections; and • an improved financial position against financial constraints.
Who/what creates need?	<ul style="list-style-type: none"> • individuals and households for essential and agreed non-essential needs; • exacerbators – excessive users of potable water for non-essential needs; • entire community creates the need for a safe urban environment where water services are adequately provided and health standards maintained; • commercial and industrial enterprises create need for water services applicable to their businesses; and • fire-fighting services create need for water services to carry out their jobs.
Who benefits - exacerbator or individuals or groups of individuals or community as a whole?	<ul style="list-style-type: none"> • entire community benefits from safe and efficient provision of drinking water; • direct household benefit; • commercial businesses benefit specifically from the provision of water services; • entire community benefits from the provision of water services by ensuring fire fighting capabilities are maintained; and • ongoing benefits for the period the infrastructural assets are being maintained and renewed.
Can the beneficiaries be identified?	Yes, where measurement of consumptions is used.
Public benefits?	The public benefits from management of water use to reasonable/responsible levels – deferred impacts on the environment, deferred need for infrastructure investment.
Period of benefits	For period of active water management and the life of the water assets.
Costs and benefits of distinct funding	<p>Targeted rates are appropriate for this activity to enable a more equitable distribution of costs through a districtwide fixed annual charge and a volumetric charge. There is also a separate targeted rate for the Hautere/Te Horo water supply.</p> <p>The benefits of these targeted rates outweigh the associated administrative costs.</p>
Overall impact of allocation of liability	The majority of costs in this activity are funded by a targeted rate to water users with the remainder funded by fees and user charges.
Funding source allocation and funding source	<p>Urban water supplies</p> <p><u>Operating costs:</u></p>

Water	
	<ul style="list-style-type: none"> • private water user - 100% operating and financing costs. <p>Funded by:</p> <ul style="list-style-type: none"> • funding from 1 July 2014 - water meter charges for private beneficiaries of the district's urban water supply system made up of a fixed charge and a volumetric charge; • volumetric water charge for water used per rateable unit; • fixed water charge per rateable unit or part use thereof; and • targeted rates set for private beneficiaries who take up the Council's water retrofit service offer for Council-approved water conservation purposes that reduce the use of the Council's potable water supply (a detailed policy is being developed). <p><u>Capital costs:</u></p> <ul style="list-style-type: none"> • 100% private <p>Funded by:</p> <ul style="list-style-type: none"> • development contributions; • borrowings; and • fixed and volumetric water charges. <p>Hautere/Te Horo water supply</p> <p><u>Operating costs:</u></p> <ul style="list-style-type: none"> • 100% private <p>Funded by:</p> <ul style="list-style-type: none"> • Fixed charge per unit (1 unit = 1m³ /day)

Stormwater Management	
Nature of benefit/activity	<ul style="list-style-type: none"> • maintenance of a safe and efficient method of discharge of stormwater on land (private responsibility); • general benefits in terms of function of urban areas, public health and social wellbeing; and • protection of vulnerable areas from excess stormwater flooding.
Council outcomes to which the activity contributes	<ul style="list-style-type: none"> • infrastructure investment supports resilience and agreed growth projections; and • improved financial position against financial constraints.
Who/what creates need?	<ul style="list-style-type: none"> • development which exacerbates stormwater run-off by construction of impermeable surfaces; • entire community (historic) location in areas vulnerable to flooding and hazard; and • climate change effects (increase over baseline).
Who benefits - exacerbators or individuals or groups of individuals or the community as a whole?	<ul style="list-style-type: none"> • developers – the use of downstream public assets to discharge stormwater. Note: the Council employs a policy of hydraulic neutrality for up to 1:100 year events; and • properties within stormwater rating areas benefit from safe and efficient discharge of stormwater.
Can the beneficiaries be identified?	Yes – it is possible to charge for stormwater effects based on permeable surfaces and for pre-development contribution properties.
Public benefits?	Primarily public benefit for current capacity (given historic decisions to settle and inability to charge back).
Period of benefits	Ongoing benefits for the period the infrastructure assets are being maintained and renewed.
Costs and benefits of distinct funding	This service is not equally available to all residents so there is no basis for charging all residents for its provision. Targeted rates are appropriate as the benefit accruing to individuals is related in part to the size of the property they inhabit. The size of the property is in turn linked to its capital value, making a capital value rating mechanism appropriate.
Overall impact of allocation of liability	The costs of this activity are 100% funded by a targeted rate so the community not within the stormwater network are not directly subsidising this activity through property rates.
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <ul style="list-style-type: none"> • 100% public. <p>Funded by:</p> <ul style="list-style-type: none"> • capital value rates set for each stormwater rating area <p><u>Capital Costs:</u></p> <ul style="list-style-type: none"> • 100% public funded for works not incurred due to private development; and • development contributions for capacity incurred for private development proportional to level incurred.

Stormwater Management	
	<p>Funded by</p> <ul style="list-style-type: none"> • borrowings; • development contributions (flood mitigation); and • capital value rates for each of the stormwater rating areas.

Wastewater Management	
Nature of benefit/activity	<ul style="list-style-type: none"> • maintenance of a safe and efficient method of collection, treatment and disposal of wastewater; • waste minimisation initiatives; • maintenance of health standards; and • services provided for commercial and industrial purposes.
Council outcomes to which the activity contributes	<ul style="list-style-type: none"> • infrastructure investment supports resilience and agreed growth projections; and • an improved financial position against financial constraints.
Who/what creates need?	<ul style="list-style-type: none"> • individuals and businesses through the need to dispose of personal waste; • users of waste water service for disposal of waste created by business activity; • exacerbators who dispose of excessive volumes of waste due to high water use; and • entire community as a result of the need for public health services due to density of settlement.
Who benefits - exacerbator or individuals or groups of individuals or the community as a whole?	<ul style="list-style-type: none"> • entire community benefits from safe and efficient disposal of wastewater; • commercial and industrial businesses benefit specifically from the provision of wastewater services to treat and dispose of waste; • households benefit from the disposal of personal waste; and • exacerbators benefit.
Can the beneficiaries be identified?	Yes.
Public benefits?	Public benefit from dealing with public health effects.
Period of benefits	Ongoing benefits for the period the infrastructure assets are being maintained and renewed.
Costs and benefits of distinct funding	Users can be identified and charged the full costs of the activity through connection charges, targeted rates and development contributions. The benefits of targeting these rates outweigh the associated collection costs.
Overall impact	The costs of this activity are 100% privately funded so the community is not directly subsidising this activity through property rates.
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <ul style="list-style-type: none"> • 100% private. <p>Funded by:</p> <ul style="list-style-type: none"> • fixed charges (including differential) per sewerage pan <p><u>Capital costs:</u></p> <ul style="list-style-type: none"> • 100% private

Wastewater Management	
	<p>Funded by:</p> <ul style="list-style-type: none"> • borrowings; and • development contributions for capacity incurred for private development proportional to level incurred; and • fixed charges (including differential) per sewerage pan.

Solid Waste	
Nature of benefit/activity	<ul style="list-style-type: none"> enabling and providing effective and efficient solid waste services and facilities; waste minimisation education, projects and support; and after-care of landfills.
Council outcomes to which the activity contributes	<ul style="list-style-type: none"> infrastructure investment supports resilience and agreed growth projections; and improved financial position against financial constraints.
Who benefits - exacerbator or individuals or groups of individuals or the community as a whole?	<ul style="list-style-type: none"> the entire community benefits from a solid waste services and waste minimisation education and support; the exacerbator (waste disposer) benefits from the safe and efficient collection and disposal of solid waste by licensed collectors who are monitored by the Council; and households and businesses benefit from refuse collection and recycling.
Can the beneficiaries be identified?	Yes, the entire community.
Public benefits?	<ul style="list-style-type: none"> public benefits in terms of health; Waikanae residents benefit from convenience of location and operating hours of Waikanae Recycling Centre; and Ōtaki residents benefit from convenience of the location and operating hours of the Ōtaki Resource Recovery Centre.
Period of benefits	Ongoing benefits for the period the service is undertaken.
Who/what creates need?	Creation of problem by producer and consumer. Waste disposer creates the need to reduce waste and dispose of safely.
Costs and benefits of distinct funding	There is no benefit to funding this activity separately. User fees are used to recover costs in many ways to reflect individual private benefits and the residual cost is funded by the districtwide general rate.
Overall impact of allocation of liability	Solid waste costs are largely subsidised by the community. An increase in the costs of this activity will result mainly in increased costs to the community. Conversely, any reduction to these costs in a given financial year will benefit the community.

Funding source allocation and funding source	<p><u>Operating costs:</u></p> <ul style="list-style-type: none"> • 35% private - recovery of loan servicing costs of Otaihangā Resource Recovery Centre, lease revenues, cleanfill gate fees, licence fees, waste minimisation levies; and • 65% public - debt servicing costs on landfill closure and aftercare costs. Operation of Waikanae Recycling Centre, Otaihangā landfill final cap construction, landfill management, environmental management, waste facilities asset management, performance monitoring of licensed waste collectors and operators, waste minimisation education and support, Regional Waste Management and Minimisation Plan implementation. <p><u>Capital costs:</u></p> <ul style="list-style-type: none"> • 100% public - landfill closure and aftercare and waste facilities asset management. <p>Funded by:</p> <ul style="list-style-type: none"> • borrowings.
--	---

Recreation and leisure		
Nature of benefit/activity	Libraries, Arts and Museums <ul style="list-style-type: none"> enable and support the community to be informed, educated, inspired and creative ; provide publically available recreational facilities and opportunities for social interaction and engagement; and provide access to a range of collection items, including historical items and items of cultural and community significance. Aquatics <ul style="list-style-type: none"> pools maintained to enhance the health, enjoyment and quality of life of the district's residents and visitors. 	
Council outcomes to which the activity contributes	<ul style="list-style-type: none"> improved accessibility of Council services; an improved financial position against financial constraints; and community's satisfaction with Council services maintained or improved 	
Who/what creates need?	<ul style="list-style-type: none"> entire community for library, museum and arts experience and access to information resources and services as a key factor in civic life; and entire district creates the need for swimming pools. 	
Who benefits - exacerbator or individuals or groups of individuals or the community as a whole?	Libraries, Arts and Museums <ul style="list-style-type: none"> the entire community benefits from choice of recreational activities and educational opportunities the library offers; and the entire community benefits from an informed community. 	Aquatics <ul style="list-style-type: none"> the pools benefit users, the entire district and visitors to the district;
Can the beneficiaries be identified?	Yes – the entire community and specific benefits to borrowers of material, and users of library services.	Yes – individuals and groups.
Public benefits?	Public benefits deriving from an informed community, recreation, community interaction, and community meeting space.	Private and public benefit (public health, community activity, social wellbeing).
Period of benefits	Ongoing benefit for the period the assets are being maintained and renewed.	Ongoing benefit for the period the assets are being maintained and renewed.
Costs and benefits of distinct funding	<ul style="list-style-type: none"> User charges cover some of the costs of this activity; however, the bulk of the funding is through a targeted (community facilities) rate which reflects the different levels of usage. The community facilities rate applies to libraries, parks and reserves, swimming pools, public halls and community centres. The cost of further separating the community facilities rate into its constituent activities would exceed any benefits gained. 	
Overall impact of allocation of liability	Recreation and leisure costs are largely subsidised by the community. An increase in the costs of this activity will mainly result in increased costs to the community. Conversely, any reduction to these costs in a given financial year will mostly benefit the community.	

Recreation and leisure		
Funding source allocation and funding source	<p>Libraries, Arts and Museums</p> <p><u>Operating costs:</u></p> <ul style="list-style-type: none"> 95% public and 5% private. <p>Funded by:</p> <ul style="list-style-type: none"> community facilities fixed charges; and library fees and charges. <p><u>Capital costs:</u></p> <ul style="list-style-type: none"> 100% public funded for works not incurred due to private development; and development contributions for capacity incurred for private development proportional to level incurred. <p>Funded by:</p> <ul style="list-style-type: none"> development contributions (community infrastructure); borrowings; and community facilities fixed charges. 	<p>Aquatics</p> <p><u>Operating costs:</u></p> <ul style="list-style-type: none"> 70% public (community facilities fixed charges – transitional differentials apply for multi-occupied properties); and 30% private (swimming pool fees). <p><u>Capital costs:</u></p> <ul style="list-style-type: none"> 100% public funded for works not incurred due to private development; and development contributions for capacity incurred for private development proportional to level incurred. <p>Funded by:</p> <ul style="list-style-type: none"> borrowings; development contributions; districtwide general rate; community facilities fixed charges; and community contribution (for example the Coastlands Aquatic Centre Trust).

Community facilities and community support		
Nature of benefit/activity	<p>Community Facilities</p> <ul style="list-style-type: none"> ensuring some affordable housing is available for older persons; and providing public facilities that allow for community participation. <p>Supporting Social Wellbeing</p> <ul style="list-style-type: none"> promotion of the community's social and cultural wellbeing through facilitation and advocacy; reduced social problems; and provision of social services support via contracts and grants. 	
Council Outcomes to which the activity contributes	<ul style="list-style-type: none"> the community is more resilient through Council's advocacy; an improved financial position against financial constraints; the community is better supported to lead initiatives in response to agreed community priorities; community's satisfaction with Council services is maintained or improved; and improved accessibility of Council services. 	
Who benefits - exacerbator or individuals or groups of individuals or the community as a whole?	<p>Community facilities</p> <ul style="list-style-type: none"> entire district; users of the facilities provided; visitors to the district; older persons within the community who qualify for housing; and entire community benefits through the availability of public facilities. 	<p>Supported social wellbeing</p> <p>The entire community benefits through improved levels of the community's social and cultural wellbeing.</p>
Can the beneficiaries be identified?	<ul style="list-style-type: none"> public halls – yes – community groups and individuals; public toilets –yes – individuals; cemeteries – yes – entire community and private beneficiaries; and housing for older persons – yes – individuals. 	<p>Yes – entire community and private beneficiaries.</p>

Community facilities and community support		
Public benefits?	<ul style="list-style-type: none"> public halls and community centres – significant individual and community group benefit. Equal public benefit in terms of community activity, health and engagement; public toilets – private and public benefit (public health, tourism attraction); cemeteries – private benefit – place to bury dead in a respectful way; public benefit – public health, continuing of cultural traditions around burial; housing for older persons – primarily private benefit of affordable housing. Public benefits of community care for vulnerable; and 	Public benefits include health, cooperation, ability to leverage funding into the district, and the provision of services to the community.
Period of benefits	<ul style="list-style-type: none"> ongoing benefits for the period the assets are being maintained and renewed. 	Ongoing benefits.
Who/what creates need?	<p>Community Facilities</p> <ul style="list-style-type: none"> the entire district creates the need for these facilities; and the entire community creates the need for affordable housing and public facilities. <p>Supporting Social Wellbeing</p> <ul style="list-style-type: none"> the entire community creates the need/desire for a community that works collectively and cooperatively and is able to withstand external pressures and shocks; and the more involved and skilled people are, the more they contribute to the economic, social and cultural wellbeing of the district. 	
Costs and benefits of distinct funding	<p>User charges cover some of the costs of this activity; however the bulk of the funding is through a targeted (community facilities) rate which reflects the different levels of usage.</p> <p>The community facilities rate applies to libraries, parks and reserves, swimming pools, public halls and community centres. The cost of further separating the community facilities rate into its constituent activities would exceed any benefits gained.</p>	
Overall impact of allocation of liability	Community facilities and community services costs are largely subsidised by the community. An increase in the costs of this activity will mainly result in increased costs to the community. Conversely, any reduction to these costs in a given financial year will mostly benefit the community.	

Community facilities and community support		
Funding source allocation and funding source	<p>Community Facilities</p> <p><u>Operating costs:</u></p> <ul style="list-style-type: none"> • public halls and community centre: <ul style="list-style-type: none"> ◦ 80% public (community facilities fixed charges – transitional differentials apply for multi-occupied properties); and ◦ 20% private (hall rental charges). • public toilets: <ul style="list-style-type: none"> ◦ 100% public (districtwide general rate). • public cemeteries: <ul style="list-style-type: none"> ◦ 60% public (districtwide general rate); and ◦ 40% private (cemetery fees). • housing for older persons: <ul style="list-style-type: none"> ◦ 80% private - (rental costs for housing for older persons) 20% districtwide general rate. <p><u>Capital costs:</u></p> <ul style="list-style-type: none"> • 100% public funded for works not incurred due to private development; and • development contributions for capacity incurred for private development proportional to level incurred. <p>Funded by:</p> <ul style="list-style-type: none"> • borrowings; • development contributions; • districtwide general rate; • community facilities fixed charges; and • housing for older person's rental income. 	<p>Supporting Social Wellbeing</p> <p><u>Operating costs:</u></p> <p>100% public – community and social development.</p> <p>Funded by:</p> <p>districtwide general rate.</p>

Parks and open space	
Nature of benefit/activity	<ul style="list-style-type: none"> • parks, reserves, sports fields, public gardens; • focus for community activity and involvement in improving environment; • amenity in urban environments – sources of pleasure and community pride and places for recreation (reserves); • source of health and wellbeing for community; • significant source of urban biodiversity (dependant on planting policies); and • open space as overflow paths for stormwater, water quality management.
Council Outcomes to which the activity contributes	<ul style="list-style-type: none"> • improved financial position against financial constraints; • infrastructure investment that supports resilience and agreed growth projections; • a positive response to our distinct district identity; and • community satisfaction with Council services is maintained or improved.
Who benefits - exacerbator or individuals or groups of individuals or the community as a whole?	<ul style="list-style-type: none"> • entire district; • adjacent residents – amenities; • users of the facilities provided; and • visitors to the district.
Can the beneficiaries be identified?	Yes, although individual users of passive open spaces cannot be easily differentiated.
Public benefits?	<ul style="list-style-type: none"> • significant public benefits – health, culture, amenity and biodiversity, and hazard management; • private benefit from sports fields at time of use – valuable as general open space at other times.
Period of benefits	<ul style="list-style-type: none"> • Ongoing benefits over life of asset.
Who/what creates need?	The entire district creates the need for these facilities.
Costs and benefits of distinct funding	<p>User charges to reflect private benefits cover some of the costs of this activity; however, the bulk of the funding is through a targeted (community facilities) rate which reflects the different levels of usage. Junior (school age) sports are not charged for.</p> <p>The community facilities rate applies to libraries, parks and reserves, swimming pools, public halls and community centres. The cost of further separating the community facilities rate into its constituent activities would exceed any benefits gained.</p>
Overall impact of allocation of liability	Parks and open spaces costs are largely subsidised by the community. An increase in the costs of this activity will mainly result in increased costs to the community. Conversely, any reduction to these costs in a given financial year will mostly benefit the community.

Parks and open space	
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <ul style="list-style-type: none"> • reserves; <ul style="list-style-type: none"> ○ passive open space – 100% public; and ○ sports fields and facilities 98% public and 2% private. (as total income against costs); <p>(Note: reflects the current income levels from sporting and community organisations).</p> <p>Funded by:</p> <ul style="list-style-type: none"> • community facilities charges. <p><u>Capital costs:</u></p> <p>Funded by:</p> <ul style="list-style-type: none"> • reserves contributions; • borrowings; and • community facilities fixed charges.

Economic development	
Nature of benefit/activity	<ul style="list-style-type: none"> • promotion and encouragement of economic development opportunities within the Kāpiti Coast District; • tourism information and development services; and • overall economic strategy developed for district and neighbouring local authorities.
Council Outcomes to which the activity contributes	<ul style="list-style-type: none"> • the community is more resilient through Council's advocacy; • an improved financial position against financial constraints; and • the community is better supported to lead initiatives in response to agreed community priorities.
Who benefits - exacerbator or individuals or groups of individuals or the community as a whole?	<ul style="list-style-type: none"> • the entire community through a healthy, growing and sustainable economy; • individual businesses will benefit from specific initiatives; • residents achieving local employment; • the entire community benefits through improved economic activity in tourism; • individual businesses benefit from tourism opportunities; and • visitors to the district.
Can the beneficiaries be identified?	<ul style="list-style-type: none"> • the beneficiaries of this activity are principally the community as a whole and businesses
Public benefits?	<ul style="list-style-type: none"> • the activity benefits residents by providing jobs through attracting a more diverse range of businesses, raising incomes through offering more skilled and sustainable employment opportunities.
Period of benefits	<ul style="list-style-type: none"> • variable. Most identifiable tourism information services last for the life of the asset or lease arrangement.
Who/what creates need?	<ul style="list-style-type: none"> • the entire community (development of economy); • individual businesses; and • visitors.
Costs and benefits of distinct funding	Benefits from this activity flow to the community as a whole with some identifiable benefit for the business sector.
Overall impact of allocation of liability	Economic development costs are fully subsidised by the community. An increase in costs will flow directly to the community. Conversely, any reduction to these costs in a given financial year will benefit the community.

Economic development	
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <ul style="list-style-type: none"> • 100% public. <p>Funded by:</p> <ul style="list-style-type: none"> • districtwide general rate; • commercial targeted rate. <p><u>Capital costs:</u></p> <ul style="list-style-type: none"> • 100% public. <p>Funded by:</p> <ul style="list-style-type: none"> • borrowings.

Regulatory services			
Nature of benefit/activity	<p>Building</p> <ul style="list-style-type: none"> standards of safety and quality of buildings within the district are monitored and enforced. <p>Resource consents and compliance</p> <ul style="list-style-type: none"> the sustainable management of all physical and natural resources on the Kāpiti Coast to sustain the life-supporting capacity of these resources to meet the needs of future generations; and the district is developed in a planned and orderly manner in harmony with the environment and community aspirations and values. <p>Environmental protection</p> <ul style="list-style-type: none"> provision of an efficient monitoring, regulatory and emergency response service; and administration of current, relevant legislation and bylaws to promote the health, safety and wellbeing of the community and protect the unique environment of the Kāpiti Coast. 		
Council outcomes to which the activity contributes	<ul style="list-style-type: none"> improved accessibility of Council services; community satisfaction with Council services is at least maintained; an effective response to climate change in Kāpiti Coast District Council; and a more diverse range of business in the district. 		
Who benefits - exacerbator or individuals or groups of individuals or community as a whole?	<p>Building</p> <ul style="list-style-type: none"> entire district benefits; and the users of building regulatory services. 	<p>Resource consents and compliance</p> <ul style="list-style-type: none"> the entire community benefits from the sustainable management of the Kāpiti Coast environment; and subdividers/developers/landowners benefit from the process. 	<p>Environmental protection</p> <ul style="list-style-type: none"> the entire district benefits from regulatory requirements that promote the health, safety and wellbeing of the community; users of regulatory services; and the ongoing benefits of a regulatory environment for the district.
Can the beneficiaries be identified?	Yes – entire community; and specific benefits to building owners and users.	<ul style="list-style-type: none"> yes – entire community; and yes – specific developers/land owners. 	Yes - however, private beneficiaries cannot be identified for hazardous substances and environmental health compliance.

Regulatory services			
Public benefits?	<p>All activities for this team are a mix of private and public benefit. LIMs (land information memoranda) are mainly private benefit for the recipient whereas building warrant of fitness work is mainly of benefit to the public improving building safety for occupants. Other activities such as building consent activities are primarily a private benefit with the public deriving benefit through the safe use of the buildings now and into the future.</p> <p>Enforcement work and enquiries are a mix of private and public benefit.</p>	<p>Ongoing benefits from ensuring compliance with environmental standards set under the Resource Management Act 1991 and subsequent amendments and regulations, and the district plan.</p>	<ul style="list-style-type: none"> • full public benefit for hazardous substances, environmental health, and environmental compliance; • food and alcohol licensing is primarily a private benefit to operate a business, but the public enjoys ongoing benefits of business; • the entire community and trade waste dischargers benefit from managing trade waste discharges into the wastewater system; • fencing of pools is a significant private benefit; • private benefit for animal control in relation to dog ownership, however control of stock and managing dogs to ensure that they do not cause nuisance, injure, endanger or cause distress is a benefit to community; and
Period of benefits	Ongoing.	Ongoing.	<ul style="list-style-type: none"> • Ongoing.
Who/what creates need?	<p>Building</p> <ul style="list-style-type: none"> • the entire community creates the need for monitored standards of safety and quality of buildings; • property owners; and • statutory requirements. <p>Resource consents and compliance</p> <ul style="list-style-type: none"> • subdividers/developers/land owners; • the entire community – current and future generations; • physical and built environment; and • statutory requirement. <p>Environmental protection</p> <ul style="list-style-type: none"> • users of regulatory services; • the district as a whole to ensure there is a consistent regulatory framework to promote health, safety and wellbeing of the people and environment of the Kāpiti Coast; and • statutory requirements. 		

Regulatory services			
Costs and benefits of distinct funding	A large degree of private benefit across this activity makes user charging feasible where legislation allows (usually when consent or licence is sought). Where costs are not met by user charges, public contribution is at the districtwide general rate.		
Overall impact of allocation of liability	Regulatory services are partly funded by revenue from fees. Part of any increased costs will result in increased costs to the community. Conversely, any reduction to these costs in a given financial year will mostly benefit the community.		
Funding source allocation and funding source	Building <u>Operating costs:</u> <ul style="list-style-type: none"> 45% public and 55% private; (excludes earthquake prone building project costs). Funded by: <ul style="list-style-type: none"> districtwide general rate; and building fees and charges. 	Resource consents and compliance <u>Operating costs:</u> <ul style="list-style-type: none"> 60% public and 40% private; legal fees for Environmental Court hearings are excluded from the funding apportionment. Funded by: <ul style="list-style-type: none"> districtwide general rate; and fees and charges. 	Environmental protection Environmental protection has been considered three separate units within the Environmental Standards team for private/rates funding split: animal control; environmental health; and compliance. <u>Operating costs:</u> <ul style="list-style-type: none"> animal control: 40% public and 60% private; environmental health 75% public and 25% private; and compliance 60% private and 40% public. Funded by: <ul style="list-style-type: none"> districtwide general rate; and fees and charges for users of services.

Districtwide planning	
Nature of benefit/activity	<p>Strategic planning and policy development enables the Council to achieve the community's outcomes. Examples include :</p> <ul style="list-style-type: none"> ensuring that urban areas retain their unique character and existing amenity values; improving environmental monitoring; ensuring that all physical and natural resources on the Kāpiti Coast are sustainably managed; improving design and landscaping of urban development; enabling business development and growth; and developing vibrant ,diverse and liveable communities.
Council outcomes to which the activity contributes	<ul style="list-style-type: none"> the community is more resilient through Council's advocacy; and improved financial position against financial constraints
Who benefits - exacerbator or individuals or groups of individuals or community as a whole?	<ul style="list-style-type: none"> developers in terms of a clear consistent policy framework for development proposals; people immediately affected by development proposals; and the entire community benefits from a sustainable environment protecting the unique character and existing amenity values of the district; and the community benefits from the opportunities for growth and more liveable and vibrant urban areas.
Can the beneficiaries be identified?	<ul style="list-style-type: none"> yes for private plan changes --- full benefits accrue to the developer and can be identified. If sufficient public benefit is arising, can choose to treat as a public plan change; and the whole community benefits from general policy including district plan development.
Public benefits?	<p>yes, from providing a regulatory framework to manage development and change as it affects the environment; and</p> <ul style="list-style-type: none"> yes, from community involvement in design processes.
Period of benefits	<ul style="list-style-type: none"> ongoing in terms of protecting the environment for future generations.
Who/what creates need?	<ul style="list-style-type: none"> developers; business owners; entire community; and statutory requirement.
Costs and benefits of distinct funding	<p>The benefits from this activity flow to the community as a whole, except for private plan changes which are fully funded by the private beneficiary. The most appropriate way to fund the bulk of this activity is through the districtwide general rate as the cost of funding this activity separately exceeds any benefits that might be gained.</p>
Overall impact of allocation of liability	<p>Districtwide planning costs are fully subsidised by the community. An increase in costs will flow directly to the community. Conversely, any reduction to these costs in a given financial year will benefit the community.</p>

Districtwide planning	
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <ul style="list-style-type: none"> • 100% public (except for private plan change costs, which are fully private-funded); <p>Funded by:</p> <ul style="list-style-type: none"> • districtwide general rate. <p><u>Capital costs:</u></p> <ul style="list-style-type: none"> • 100% public. <p>Funded by:</p> <ul style="list-style-type: none"> • borrowings; • development contributions; and • districtwide general rate.

Governance and tāngata whenua	
Nature of benefit/activity	<ul style="list-style-type: none"> • public accountability of Council governance; • contribution of the public to the decision-making process is valuable; • ensures that public expectations are met regarding identifying community needs, both current and future; • sustainability of Council activities; and • civil defence emergency management.
Council outcomes to which the activity contributes	<ul style="list-style-type: none"> • improved financial position against financial constraints. • infrastructure investment that supports resilience and agreed growth projections. • improved accessibility of Council services. • a community that is more resilient through Council's advocacy. • a community better supported to lead initiatives in response to agreed community priorities. • WREMO levels of service consistently met or exceeded in response to emergency preparedness.
<p>Who benefits - exacerbator or individuals or groups of individuals or community as a whole?</p> <p>Can the beneficiaries be identified?</p> <p>Public benefits?</p> <p>Period of benefits</p>	<ul style="list-style-type: none"> • the entire community benefits from involvement with the Council's decisions and goals, knowledge of the intended paths to meet those goals, and monitoring of progress. <p>Yes – entire community, and community groups (through community boards).</p> <p>Major benefits in terms of operation of local democracy and statutory processes.</p> <p>Benefits are on-going with a Council/public partnership.</p>
Who/what creates need?	<ul style="list-style-type: none"> • need is created by entire community for knowledge of and involvement in the Council's decisions; • need is created by the Council for an efficient and effective interface with and guidance from the public in decision making; • statutory requirement; and • health and safety of the entire community.
Costs and benefits of distinct funding	<p>Targeted rates are appropriate to fund the different costs and requirements of the individual communities in the district – Paraparaumu/Raumati, Waikanae, Ōtaki and Paekākāriki, as well as the service charges for Ōtaki and Paekākāriki.</p> <p>The balance of funding is through the districtwide general rate, as significant benefits arising from this activity flow to the wider community.</p>
Overall impact	There is no rationale or mechanism to relieve the districtwide general rate burden of this activity by charging fees or further targeting of rates.

Governance and tāngata whenua	
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <ul style="list-style-type: none"> • 100% public. <p>Funded by:</p> <ul style="list-style-type: none"> • districtwide general rate; • local community rates; and • local service charges (Ōtaki and Paekākāriki) <p><u>Capital costs:</u></p> <ul style="list-style-type: none"> • 100% public. <p>Funded by:</p> <ul style="list-style-type: none"> • borrowings; • districtwide general rate; and • development contributions.