

Draft Long-term Plan 2021-41

Consultation – supporting information

Revenue and financing policy



Draft Revenue and Financing Policy

Background

The Local Government Act 2002 (LGA) requires Council to adopt a range of policies that ensure its finances are managed in a prudent and sustainable manner, and provide predictability and certainty about the sources and levels of funding. These policies include a Revenue and Financing Policy, that sets out how each of Council's activities will be funded and why. The Policy outlines which parts of the community contributes to paying for Council's activities, by considering the level of benefits received and key funding principles.

The Policy outlines:

- Funding mechanisms available to Council (e.g. rates, fees, borrowing, etc.),
- Council's funding considerations (i.e. the decision about how each Council Activity is to be funded and the process followed to reach that decision), including
 - funding of operating costs (i.e. the funding mix Council has chosen for each Activity's operating costs), and
 - funding of capital costs (i.e. the funding mix Council has chosen for each type of capital investment).

Note that the Revenue & Financing Policy simply sets out Council's decision about how each Activity is to be funded, and the rationale behind that decision.

The application of this Policy is set out elsewhere:

- Rates charges and definitions are set out in the Funding Impact Statement – Rating policies,
- Fees and charges for all Activities are set out in the Fees & Charges Schedule,

- Development Contributions are set out in the Development Contributions Policy,
- Projected dollar revenues and costs for each Activity are set out in the Activities and Services section, and for the Council as a whole in the Funding Impact Statement.

Funding principles

When developing the funding policy, 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 a two-step process, as outlined below.

First step considerations

The first step requires that for each activity the following are considered:

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 of particular individuals or groups contribute to a need to undertake the activity, 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 order to promote the social, economic,

environmental, and cultural well-being of its district or region in the present and for the future.

The draft 2021-41 Long Term Plan (LTP) is constructed around five key outcomes identified by the Council and based on community feedback:

1. **Strong Communities (Mana Whenua)** - Mana Whenua and Council have a mutually mana-enhancing partnership.
2. **Strong Communities (Housing)** - Our people have access to suitable housing in Kāpiti.
3. **Strong Communities** - Our communities are resilient, safe, healthy, thriving and connected. Everyone has a sense of belonging and can access the resources & services they need.
4. **Thriving Environment** - Our natural environment is restored and enhanced as we transition to a low-carbon future.
5. **Vibrant Economy** - Our local economy is prosperous with ample opportunities for people to work and learn in Kāpiti.

The Council manages 16 Activities to support the achievement of these outcomes. An Activity is an action area where Council delivers services to the community.

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 analysis, a local authority might apply a mix of tools.

The 16 Activities are grouped into five groups as follows:

Activity Group	Activity
Infrastructure	Coastal Management
	Access and Transport
	Stormwater
	Wastewater
	Water
	Sustainability and Resilience
Community Services	Community Facilities
	Parks and Open Spaces
	Recreation & Leisure
Community Partnerships	Community Wellbeing
	Economic Development
	Governance
	Tāngata Whenua
Planning and Regulatory Services	Regulatory Services
	Districtwide Planning
Corporate	Corporate

identified or cannot be easily excluded from entry. These types of activities are generally good candidates for funding mechanisms levied on the community as a whole; for example, through a districtwide general rate.

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:

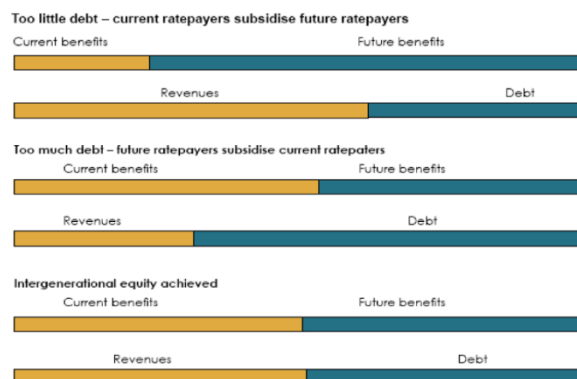
- the community as a whole;
- individuals; and
- identifiable groups in the community.

The community as a whole means all residents and ratepayers. Benefits to the community as a whole exist where the community in general benefits from the activity, and individual users cannot be easily

3. Period over which benefits occur

This is the 'intergenerational equity' principle. Many of the activities undertaken by local government relate to 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, and Council needs to consider how the benefits and costs are to be distributed over time, so current ratepayers do not need to meet the entire burden of paying for the investment now. This is illustrated in Figure 1 below.

Figure 1: The intergenerational equity principle in action



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 how 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 detailed asset management information that sets out service levels, current and predicted asset conditions, expected service lives, and programmes of capital maintenance and renewal. The source of this information is an Asset Management Plan.

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

This is the 'exacerbator pays' principle which 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 districtwide general rates). The costs and benefits of funding the activity separately 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 collecting and maintaining the information necessary to administer a targeted rate in the rating information database; 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 offering ratepayers an option to pay lump sum contributions towards funding a particular asset in the community, it must also apply a targeted rate to those who choose not to pay a lump sum contribution;
- *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 current and future community's social, economic, environmental, and cultural well-being. Such considerations might include:

- affordability - the ability to pay by low income households;
- barriers to access services;
- legal constraints;
- materiality;

- sustainability; and
- 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 sources 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 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.

Districtwide general rates

Districtwide 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. The districtwide general rate is set on land value, on a differential basis.

The Council does not assess a uniform annual general charge.

The districtwide general rates differential

A differential system has been applied to the rural areas to reflect its lower population density and demand for services. The differentials are:

Urban rating area		Percentage of urban rate
U1	All rateable rating units	100%
Rural rating area		Percentage of urban rate
R1	Rural rating units less than 50 hectares excluding those properties in the rural village differential rating area	38%
R2	Rural rating units equal to or greater than 50 hectares plus rating units less than 50 hectares where a combination of these properties total greater than 50 hectares and form part of one farming operation	22%
R3	Rural rating units which are identified in the rural village differential rating area maps	70%

In setting the level of the differential, the Council has considered the requirements of the Local Government Act and a number of factors including:

- The benefits each sector derives
- The ability of ratepayers within each sector to pay
- The historic relationship between various groups of ratepayers and the existing level of the differential
- Ensuring any change to the differential, or rate of any change, does not impact unreasonably on any particular group of ratepayers
- To determine equity and fairness, the entire rating system for the Kapiti Coast district must

be considered and it is not appropriate to focus on the differential only

- The impact on the social, cultural, economic and environmental well-being of the community.

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.

Council uses four types of targeted rates to allocate the cost of activities to an area or to the particular category of properties within the district that are perceived to receive the benefit, or are set on a district wide basis:

Targeted Rate – Fixed: These are fixed rates that apply in specific areas and ratepayers that have access to the service pay the targeted rate. Ratepayers who do not have access to the service consequently do not pay. Examples are the Districtwide Wastewater Disposal rate.

Targeted Rates – Variable: Variable Targeted Rates apply to properties situated in specific areas that have access to the service, but the rates are based on the value or size of the property or land. Examples are Districtwide Stormwater rates (based on Capital Value)

Targeted Rates – Volumetric: Volumetric Targeted Rates apply to rating units with a metered water supply service and the rates are based on the units consumed.

Targeted Rates – Differential: Sometimes a Targeted Rate, whether it is fixed or variable, needs to be adjusted according to some usage criterion, or to a particular location where the activity is used. This is called a "Differential Targeted Rate" and applies to some activities like Wastewater and Water.

Refer to the Funding Impact Statements – Rating Policies in the draft 2021/41 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 Waka Kotahi, 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. The Council recognises the funding as income in accordance with generally accepted accounting practice (GAAP). Waka Kotahi, New Zealand Transport Agency funding received for capital purposes cannot be used to offset the rates requirement.

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 (in accordance with its debt prefunding strategy).

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. In general Council does not fund operating expenditure by borrowing. The exception is to fund the impacts on ratepayer’s intergenerational equity or to fund expenditure over the period which benefits are received. Any borrowings associated with these expenses will be repaid over time.

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 also requires financial contributions from new developments under the Kāpiti Coast Operative / Proposed 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.

Regional fuel taxes

Regional fuel taxes under the Land Transport Management Act 2003 may be used to fund the operating expenditure associated with approved list

of transport capital projects as set out in the regional fuel tax scheme.

Other Sources of Funding

The Council also funds operating expenditure from other sources including:

Use of rates funded surpluses from previous financial periods

Where the Council has recorded an actual rates funded surplus in one financial period it may pass this benefit on to ratepayers in a subsequent financial period. A rates funded surplus arises from the recognition of additional income or through savings in rates funded expenditure. Council considers that passing this benefit on to ratepayers in future financial periods improves the principle of intergenerational equity, in that any financial benefit is passed on to those ratepayers who shared the rates-funding burden in the financial period that the surplus was generated.

The amount of any rates funded surplus carried forward from previous financial periods will be accounted for as an operating deficit in the year the benefit is passed on to ratepayers. In calculating the level of rates funded surplus to be carried forward, consideration will be given to the nature of the factors giving rise to the rates funded surplus (for example, whether they are cash or non-cash in nature).

The Council will not carry forward surpluses in relation to:

- The sale of assets. Such surpluses shall be used for repayment of borrowings.
- Trust and bequest revenue. Such surpluses shall be applied in accordance with the terms on which they are provided.

- Revenue received for capital purposes. Such surpluses shall be retained to fund the associated capital expenditure.
- Unrealised gains arising from fair value adjustments to assets and liabilities. These gains are unrealised accounting adjustments in the period in which they are recognised.

Funding of expenditure from restricted or special funds

Certain operating and capital expenditure may be funded from restricted or special funds. Restricted and special funds are those reserves within the Council's equity that are subject to special conditions of use, whether under statute or accepted as binding by the Council, and that may not be revised without reference to the courts or a third party.

Transfers may be made only for specified purposes or when specified conditions are met. The following restricted and special funds are available for use by Council:

- *Plant purchase and renewal fund.* The purpose of the reserve is to fund ongoing replacement of plant and vehicles when this falls due. The reserve is funded from depreciation charges on our current plant and vehicles.
- *Waikanae Property fund.* The purpose of the reserve is to fund improvements to council-owned properties in Waikanae. The source of funds is the proceeds from sale of other council property in the Waikanae ward (excluding districtwide funded properties).
- *Waikanae Capital Improvements fund.* The purpose of the reserve is to fund capital improvements in the Waikanae ward and also to provide capital grants to Waikanae organisations in accordance with approved criteria. The source of funds is Waikanae ward's share of the

property assets of the Horowhenua County Council and interest earned on the capital sum.

Council-created reserves. Council-created reserves are reserves created by a council decision. These include:

- Contingency fund
- Paekakariki Campe Estate
- Roothing reserve upgrading contributions
- Election reserve
- LTP reserve
- Financial contribution reserve

Council may alter them without reference to any third party or the courts. Transfers to and from these reserves are at the Council's discretion.

Trusts and bequests. The Council may sometimes be the recipient/holder of a number of trusts and bequests. These funds can only be used for the express purposes for which they were provided to the Council. The Council may expend money, of an operating or capital nature, from its trusts and bequests in accordance with the specified conditions of those funds. For the avoidance of doubt, the Council does not fund the expenditure from its trusts and bequests from any of the sources of operating revenue.

Funding of operating expenditure

Operating revenue is set at such a level for the Council to meet its projected operating expenditure, (unless it is prudent not to), as well as comply with applicable legislation and GAAP. 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 - 1 July 2021 to 30 June 2027
Districtwide general rate	34%
Targeted rates	49%
Fees and charges	10%
Grants and subsidies	6%
Other operating income	1%
Total	100%

Unlike other councils, the Council does not have material other sources of revenue and is reliant on rates for the majority of its income.

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 financial contributions; 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 - 1 July 2021 to 30 June 2027
Depreciation	32%
Borrowings	46%
Capital grants	12%
Development and financial contributions	10%
Total	100%

Summary of proposed operating expenditure funding targets

Activity Group	Activity	Sub-Activity	LTP 2018-2038 Public / Private Funding Targets	LTP 2021-41 Proposed Funding Targets	
				Public (Rates)	Private (Fees & User Charges and Other Income)
Infrastructure	Coastal Management	Coastal Management	100% public	100%	-
	Access and Transport	Access and Transport	65% / 35%	60-70%	30-40%
	Stormwater	Stormwater	100% public	100%	-
	Wastewater	Wastewater	100% public	100%	-
	Water	Water	100% public	100%	-
	Sustainability and Resilience	Solid Waste	65% / 35%	45-55%	45-55%**
		Environmental Sustainability	n/a*	100%	-
		Emergency Management	n/a*	95-100%	0-5%
Community Services	Community Facilities	Housing for Older Persons	20% / 80%	20%	80%
		Public Toilets	100% public	100%	-

Activity Group	Activity	Sub-Activity	LTP 2018-2038 Public / Private Funding Targets	LTP 2021-41 Proposed Funding Targets	
				Public (Rates)	Private (Fees & User Charges and Other Income)
		Community Facilities	n/a*	90-95%	5-10%
		Community Centres & Halls	80% / 20%	80-90%	10-20%
	Parks and Open Spaces	Parks & Reserves (incl Sportsfields)	98% / 2%	95-100%	0-5%
		Cemeteries	60% / 40%	30-40%	60-70%
	Recreation & Leisure	Libraries, Arts & Museums	95% / 5%	95-100%	0-5%
		Aquatics	70% / 30%	70-75%	25-30%
Community Partnerships	Community Wellbeing	Community Wellbeing	100% public	100%	-
	Economic Development	Economic Development	100% public	100%	-
		Kapiti Gateway Centre	n/a*	30-40%	60-70%
	Governance	Governance	100% public	100%	-
	Tāngata Whenua	Tāngata Whenua	100% public	100%	-
Planning and Regulatory Services	Regulatory Services	Building Consents	45% / 55%	30-40%	60-70%
		Resource Consents	60% / 40%	40-50%	50-60%
		Environmental Standards – Environmental Health & Compliance	n/a*	65-75%	25-35%
		Environmental Standards – Compliance	60% / 40%	Combined above	Combined above
		Environmental Standards – Environmental Health	75% / 25%		
		Environmental Standards – Public Spaces & Animal Management	40% / 60%	35-45%	55-65%

Activity Group	Activity	Sub-Activity	LTP 2018-2038 Public / Private Funding Targets	LTP 2021-41 Proposed Funding Targets	
				Public (Rates)	Private (Fees & User Charges and Other Income)
		Regulatory Management	100% public	100%	-
	Districtwide Planning	Districtwide Planning	100% public	95-100%	0-5%
		Research and Policy	n/a*	100%	-
		Housing	n/a*	100%	-
Corporate	Corporate	Corporate	n/a*	100%	-

*These are either new activities being delivered, new activities created through a change in Council's activity reporting structure, or activities which were previously not separated out as distinct funding streams.

**Note this includes the revenue for waste minimisation

The following tables provide a summary of the funding considerations for the 16 Council activities for the draft 2021-41 long term plan:

Coastal Management	
Activity Description	<p>Council is committed to providing beach and coastal areas that support a wide range of activities. Council's priority in this area is to assist in achieving the sustainable management of the coastal environment and protect publicly owned roads and other infrastructure assets by maintaining council-owned coastal defence assets. The key components of this activity include:</p> <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**, • ongoing investigation and documentation of coastal hazards and management of areas of high and outstanding natural character, and • ensuring safety through beach patrols, monitoring and signage. <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 usually 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. Funding decisions may be made on a case by case basis if a sufficient level of public benefit arises from proposed works, and will be guided by the Coastal Strategy.</p>
Community outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities – this activity promotes resilient, safe and healthy communities by protecting public assets, and ensuring people have safe access to Kapiti's beaches and coastal areas, which increases the range of recreation opportunities available to people and encourages healthy lifestyles.</p> <p>Thriving Environment – by protecting the coast from erosion, the Council is restoring and enhancing our natural environment</p>
Who benefits - individuals or groups of individuals or community as a whole?	<ul style="list-style-type: none"> • community – all users of protected public assets; • community generally – protection and restoration of coastal character and systems; and • opportunities for private benefit from actions to protect public assets.
Can the beneficiaries be identified?	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).

Coastal Management							
Period of benefits	Ongoing benefits for the period the infrastructural assets are being maintained and renewed.						
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 task and cost associated with identifying private beneficiaries along each seawall (which includes private properties, power lines and underground pipes), keeping this information regularly updated, and the administrative costs of charging are significant. Identifying the level of benefit attributable to each beneficiary group is also complex. The benefits gained from recovering a portion of the cost of publicly funded coastal defence structures from private beneficiaries, offset the costs of separately identifying and charging these beneficiaries. Therefore, it is appropriate to fund this activity 100% from districtwide general rates.						
Overall impact of allocation of liability	By protecting the coast from erosion, the Council is restoring and enhancing our natural environment for the benefit of current and future generations. This benefits the whole community and it is fair and appropriate to fund 100% of this activity from districtwide general rates.						
Funding source allocation and funding source	<u>Operating costs:</u>						
	Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates
	Coastal Management	Coastal Management	-	-	100%	✓ (districtwide general rate)	-
	<u>Capital costs:</u>						
	The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.						
	Coastal Management capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.						
	Funding Source		Proportion of Funding for 2021-2041				
	Rates funded depreciation		89%				
	Capital grants and subsidies (incl Waka Kotahi, New Zealand Transport Agency)		-				
	Development and financial contributions		-				
Borrowings		11%					
Total		100%					

Access and Transport	
Activity Description	<p>Council maintains, protects and improves our roading network and strongly encourages and supports sustainable transport options. The activity comprises of:</p> <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 • Design focus has a wider benefit of urban amenity linked to community wellbeing • Development of town centres and connectors project to improve access and connectivity throughout the district, and encourage economic growth through more attractive and vibrant town centres
Community outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities – the transport network provides accessible and safe transport choices that connect people with each other and with places locally, nationally and internationally, including for commerce, trade and recreation.</p> <p>Thriving Environment - a network that is efficient means fewer cars are stuck in traffic, contributing to less emissions being produced.</p> <p>Vibrant Economy - a network that allows easy movement of people and goods is vital for business and local economy to thrive.</p>
Who benefits - individuals or groups of individuals or community as a whole?	<p>Access & Roding Transport</p> <ul style="list-style-type: none"> • Increased accessibility of services and facilities, and ease of transportation throughout the district (for example, access to work and local economy, health and recreation, and environmental quality) benefits both Individual users of the transport network and the entire community. • Land developers benefit from the activity as it also creates access to new developments. <p>Development of Town Centres</p> <ul style="list-style-type: none"> • The entire community benefits from the development of town centres as they improve access and connectivity across the district, create opportunities for private sector investment which stimulates jobs, and improve the social and cultural life of the district. • The business sector also indirectly benefits from more vibrant town centres and improved social, cultural and public life in the community.

Access and Transport	
Can the beneficiaries be identified?	<p>Access & Rooding Transport</p> <ul style="list-style-type: none"> • Yes – the entire community • Yes – individual users of the network • Yes – developers <p>For capacity upgrade components from new developments. However, the individual network users at local level cannot be differentiated (central government petrol tax addresses this).</p> <p>Development of Town Centres</p> <ul style="list-style-type: none"> • Yes – the entire community • Yes – some indirect benefit to the business sector
Period of benefits	Now and into the future, as there are ongoing benefits for the period the infrastructural assets are being maintained and renewed.
Who/what creates need?	<p>Access & Rooding Transport: The entire community and individuals such as developers, create the need for an accessible urban environment where transport links are readily available for both business and public use, including mode choice.</p> <p>Development of Town Centres: The entire community creates the need for improving access and connectivity throughout the district, and improving social and cultural life through the development of attractive and vibrant town centres.</p>
Costs and benefits of distinct funding	The distinct beneficiaries for each component of the activity supports the use of multiple funding streams. Given the size of the expenditure, separate funding is considered important for transparency.
Overall impact of allocation of liability	<p>Access & Rooding Transport: This activity is partly funded by a subsidy from the government rooding funding agency Waka Kotahi, New Zealand Transport Agency, which passes on funding from fuel taxes. As there are wide variations between the benefits received and impacts created by different road users, it is appropriate to fund this activity through a rooding targeted rate, which includes a differential category reflecting different levels of usage across the district.</p> <p>Development of Town Centres: The benefits from this activity flow to the community as a whole with some indirect benefits for the business sector. As the level of benefits received by beneficiaries cannot be easily and separately identified, it is more practical to fund the costs of this activity through the districtwide general rate.</p>

Access and Transport

Funding source allocation and funding source

Operating costs:

Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates
Access & Transport	Access & Transport (including town centres)	<1%	30-40%	60-70%	✓ (districtwide general rate – funds development of town centres)	✓ (districtwide roading rate - funds access & transport)

Funded by:

- districtwide roading rates;
- petrol tax; and
- central government – Waka Kotahi, New Zealand Transport Agency subsidy (51%).

Capital costs:

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Access & Transport capital expenditure projects are funded through:

Funding Source	Proportion of Funding for 2021-2041
Rates funded depreciation	30%
Capital grants and subsidies (including Waka Kotahi, New Zealand Transport Agency)	44%
Development and financial contributions	6%
Borrowings	20%
Total	100%

- development contributions for capacity incurred for private development proportional to level incurred;
- 100% public-funded for works unrelated to private development; and 49% public funded for Waka Kotahi, New Zealand Transport Agency subsidised works.

Stormwater Management	
Activity Description	<p>Council provides a stormwater system to manage surface water run-off from the district's urban catchments while protecting the receiving environment, ensuring water quality and reducing risks to human life, health and property from flooding. This includes:</p> <ul style="list-style-type: none"> • maintaining a safe and efficient method of discharge of stormwater on land and water quality; • general benefits in terms of function of urban areas, public health and social wellbeing; and • protection of vulnerable areas from excess stormwater flooding.
Community outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities - a safe and reliable stormwater network and effective maintenance programmes reduces the risk of avoidable surface flooding, disruptions to community living, and minimises the risk of injury and damage to property from storm water.</p> <p>Thriving Environment - a safe and reliable stormwater network minimise the impacts – such as erosion - of storm water on the environment.</p> <p>Vibrant Economy - a safe and reliable stormwater network and effective maintenance and operations programmes allows people to live work and play in the central city safely and without disruption.</p>
Who benefits - 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 • individual property owners benefit from safe and efficient discharge of stormwater and protection from flooding. Though these benefits are private, they are not exclusive – all homes and businesses benefit, and the network needs to exist for the public good regardless of the individual benefits. • The stormwater system benefits the whole community, both by protecting public property and by protecting public health and safety. The system is a fundamental part of the city's infrastructure.
Can the beneficiaries be identified?	Yes – individual property owners, developers and the whole community.
Period of benefits	Ongoing benefits for the period the infrastructure assets are being maintained and renewed.
Who/what creates the need?	<ul style="list-style-type: none"> • Developments that exacerbates stormwater run-off through the construction of impermeable surfaces; • entire community (historically) located in areas vulnerable to flooding and hazard; • climate change effects (increase over baseline); and • population growth
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 for the bulk of this activity, 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.

Stormwater Management

	However, the provision of districtwide strategic flood protection work benefits the whole community by protecting public property and public health & safety. It is appropriate to fund this activity through districtwide general rates.																										
Overall impact of allocation of liability	Approximately 60% of the cost of this activity is funded by a targeted rate so the community not within the Paraparaumu/Raumati stormwater network are not directly subsidising this activity through property rates.																										
Funding source allocation and funding source	<div><div>Operating costs:</div><table><tr><th>Activity</th><th>Sub-activity</th><th>User Fees</th><th>Other Income</th><th>Rates</th><th>General Rates</th><th>Targeted Rates</th></tr><tr><td>Stormwater</td><td>Stormwater</td><td>-</td><td>-</td><td>100%</td><td>✓ (districtwide general rate 40%)</td><td>✓ (districtwide stormwater targeted rate 60%)</td></tr></table><div>Funded by:<ul style="list-style-type: none">capital value rates set for each stormwater rating areadistrictwide general rates for districtwide strategic flood protection work.</div><div>Capital Costs:</div><div>The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.</div><div>Stormwater capital expenditure projects are funded through:</div><table><tr><th>Funding Source</th><th>Proportion of Funding for 2021-2041</th></tr><tr><td>Rates funded depreciation</td><td>30%</td></tr><tr><td>Capital grants & subsidies (incl Waka Kotahi, New Zealand Transport Agency)</td><td>-</td></tr><tr><td>Development and financial contributions</td><td>5%</td></tr><tr><td>Borrowings</td><td>65%</td></tr><tr><td>Total</td><td>100%</td></tr></table><ul style="list-style-type: none">development contributions for capacity incurred for private development proportional to level incurred; and100% public funded for works unrelated to private development</div>	Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates	Stormwater	Stormwater	-	-	100%	✓ (districtwide general rate 40%)	✓ (districtwide stormwater targeted rate 60%)	Funding Source	Proportion of Funding for 2021-2041	Rates funded depreciation	30%	Capital grants & subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-	Development and financial contributions	5%	Borrowings	65%	Total	100%
Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates																					
Stormwater	Stormwater	-	-	100%	✓ (districtwide general rate 40%)	✓ (districtwide stormwater targeted rate 60%)																					
Funding Source	Proportion of Funding for 2021-2041																										
Rates funded depreciation	30%																										
Capital grants & subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-																										
Development and financial contributions	5%																										
Borrowings	65%																										
Total	100%																										

Wastewater Management	
Activity Description	<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.
Community outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities - a safe and reliable wastewater network provides protection against public health risks.</p> <p>Thriving Environment - a safe and reliable wastewater network provides protection against environmental harm.</p> <p>Vibrant Economy - a safe, reliable and well maintained wastewater network that will function effectively ensures that residents can work and play, and carry out business activities without disruptions.</p>
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 (waste disposers) 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 - 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. • public benefit from dealing with public health effects.
Can the beneficiaries be identified?	Yes.
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 of allocation of liability	While it is recognised that there is a whole community benefit from this activity, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties with sewer connections.

Wastewater Management

Funding source allocation and funding source

Operating costs:

Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates
Wastewater	Wastewater	-	-	100%	-	✓ (districtwide wastewater disposal rate)

Funded by:

- fixed charges (including differential) per sewerage pan

Capital costs:

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Wastewater capital expenditure projects are funded through:

Funding Source	Proportion of Funding for 2021-2041
Rates funded depreciation	68%
Capital grants & subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-
Development and financial contributions	8%
Borrowings	24%
Total	100%

Water	
Activity Description	<p>Access to safe clean drinking water is vital to the health, well-being and vibrancy of our communities and is one of our top priorities. The Council delivers a potable water service that protects the health of our communities, enables commercial and industrial enterprise and protects life through fire-fighting capacity. This activity comprises of:</p> <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; • services provided for commercial and fire-fighting purposes; and • maintenance of the network, including wells, pump stations, treatment facilities, reservoirs, and underground reticulation pipes and meters.
Community outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities – a reliable and adequate supply of clean and safe water is critical for the health, well-being and resilience of all residents.</p> <p>Thriving Environment – a safe and reliable water network provides protection against environmental harm.</p> <p>Vibrant Economy – a safe and reliable water network with effective maintenance and operations programmes in place allows people to live, work and play safely, and businesses to operate in Kapiti without disruption.</p>
Who benefits – individuals or groups of individuals or community as a whole?	<ul style="list-style-type: none"> • entire community benefits from: <ul style="list-style-type: none"> ◦ public health benefits from the safe and efficient provision of drinking water, and ensuring an adequate supply of water for commercial use and fire-fighting; and ◦ management of water use to reasonable/responsible levels – deferred impacts on the environment, deferred need for infrastructure investment. • Individual households with water connections directly benefit; and • commercial businesses benefit specifically from the provision of water services
Can the beneficiaries be identified?	Yes, for properties within Council's network area that can connect to the network, or with a water connection, and where measurement of consumptions is used.
Period of benefits	Ongoing benefits for the period of active water management and the life of the water infrastructure assets.

Water	
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.
Costs and benefits of distinct funding	<p>The benefit of this activity accrues primarily to those properties located within Council's water network area that can physically connect to the network. It is therefore considered appropriate and transparent to fund this separately.</p> <p>The benefits of these targeted rates outweigh the associated administrative costs.</p>
Overall impact of allocation of liability	<p>While it is recognised that there is a community wide benefit from the provision of water supply, this, along with the benefit received by individuals is best reflected through a targeted rate imposed on those properties located within the serviced area.</p> <p>Targeted rates are appropriate to fund majority of 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. The remainder is funded by fees and user charges for water connections.</p>

Water

Funding source allocation and funding source

Operating costs:

Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates
Water	Water	<1%	-	100%	-	<div>✓</div> <ul style="list-style-type: none"> Districtwide water supply volumetric rate 45% Districtwide water supply fixed rate 55%

Funded by:

- 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.
- Separate targeted rate for the Hautere/Te Horo water supply

Capital costs:

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Water activity capital expenditure projects are funded through:

Funding Source	Proportion of Funding for 2021-2041
Rates funded depreciation	49%
Capital grants and subsidies (including Waka Kotahi, New Zealand Transport Agency)	1%
Development and financial contributions	20%
Borrowings	30%
Total	100%

Sustainability and Resilience	
Activity Description	<p>Sustainability & Resilience activities relate to driving and enabling a sustainable future, and enabling climate change mitigation and adaptation. The key components of this activity are:</p> <p>Solid Waste:</p> <ul style="list-style-type: none"> enabling and providing effective and efficient solid waste services and facilities across all Council activities; waste minimisation education, projects and support; and after-care of landfills. <p>Environmental Sustainability:</p> <ul style="list-style-type: none"> carbon & energy management across council; and embed climate change and resilience into the design and implementation of all Council programmes and activities. <p>Emergency Management:</p> <ul style="list-style-type: none"> civil defence emergency management; and staff / Emergency Operation Centre readiness and response.
Community outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities – the provision of solid waste services reduces public health risks, and engaging with the community on waste reduction promotes community ownership of sustainable management of the environment. Emergency management works ensure Kapiti is well-prepared for earthquakes and other natural disasters, and promote community resilience.</p> <p>Thriving Environment - reducing waste minimises the use of landfills and promotes the sustainable management of resources.</p>
Who benefits - individuals or groups of individuals or the community as a whole?	<ul style="list-style-type: none"> the entire community benefits from: <ul style="list-style-type: none"> solid waste services and waste minimisation education and support; embedding climate change education and support enabling residents to engage and change personal behaviour; public health effects; and emergency management and response operations. 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; households and businesses benefit from emergency management response; and identifiable parts of the community benefits from convenience of location and operating hours of the resource recovery centres e.g Waikanae
Can the beneficiaries be identified?	Yes, the entire community, identifiable parts of the community and individual users/households .

Sustainability and Resilience																																
Period of benefits	Ongoing benefits for the period the service is undertaken. Benefits to the environment through reducing waste and other environmental sustainability initiatives also ensure our environment can be enjoyed now and also by future generations.																															
Who/what creates need?	Exacerbator - residents/businesses/consumers creates the need to reduce waste and dispose of safely.																															
Costs and benefits of distinct funding	The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure, separate funding is considered important for transparency. User fees are used to recover costs in many ways to reflect individual private benefits and the residual cost is funded from rates.																															
Overall impact of allocation of liability	<p>Solid Waste: Although the benefits of this activity are shared between individuals and the community as a whole, the Council believes users of the city's landfills should bear the costs. The Council believes it is appropriate to take a "polluter pays" approach to its solid waste operations, meaning landfill fees should be set at levels that discourage waste. This approach is justified by the significant benefits to the city's environment from reducing the amount of waste dumped in landfills.</p> <p>Environmental Sustainability: Enabling climate change mitigation and adaptation drives and enables a sustainable future, which benefits the whole community now and into the future. Therefore, it is appropriate to fund this activity 100% from districtwide genral rates.</p> <p>Emergency Management: While individuals benefit from emergency management work in the event of a disaster, the benefit to the whole community far outweighs this. The Council believes the fairest and most effective way to fund this activity is from districtwide general rates.</p>																															
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <table border="1"> <thead> <tr> <th>Activity</th><th>Sub-activity</th><th>User Fees</th><th>Other Income</th><th>Rates</th><th>General Rates</th><th>Targeted Rates</th></tr> </thead> <tbody> <tr> <td rowspan="3">Sustainability & Resilience</td><td>Solid Waste</td><td>45-55%</td><td>-</td><td>45-55%</td><td>✓ (districtwide general rate)</td><td>-</td></tr> <tr> <td>Environmental Sustainability</td><td>-</td><td>-</td><td>100%</td><td>✓ (districtwide general rate)</td><td>-</td></tr> <tr> <td>Emergency Management</td><td>0-5%</td><td>-</td><td>95-100%</td><td>✓ (districtwide general rate)</td><td>-</td></tr> </tbody> </table> <p><u>Capital costs:</u></p> <p>The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.</p> <p>Sustainability & Resilience capital expenditure projects are funded through:</p>						Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates	Sustainability & Resilience	Solid Waste	45-55%	-	45-55%	✓ (districtwide general rate)	-	Environmental Sustainability	-	-	100%	✓ (districtwide general rate)	-	Emergency Management	0-5%	-	95-100%	✓ (districtwide general rate)	-
Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates																										
Sustainability & Resilience	Solid Waste	45-55%	-	45-55%	✓ (districtwide general rate)	-																										
	Environmental Sustainability	-	-	100%	✓ (districtwide general rate)	-																										
	Emergency Management	0-5%	-	95-100%	✓ (districtwide general rate)	-																										

Sustainability and Resilience

	Funding Source	Funding for 2021-2041
	Rates funded depreciation	100%
	Capital grants & subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-
	Development and financial contributions	-
	Borrowings	-
	Total	100%

Community Facilities				
Activity Description	<p>Council provides public facilities that allow for community participation and emergency management services. This activity also involves asset management, maintenance, and replacement of civic property assets, and renting of pensioner housing that supports the provision of affordable accommodation to people on low incomes.</p> <p>The key outputs of this activity are:</p> <p>Housing for Older Persons:</p> <ul style="list-style-type: none"> Council provides 118 one-bedroom pensioner flats targeted towards the elderly, disabled, and those meeting qualifying criteria. Contribute to social wellbeing by ensuring that an adequate supply of safe, accessible, and affordable pensioner flats is available to those in need. <p>Community Facilities (Other)</p> <ul style="list-style-type: none"> Provide public facilities that allow for community participation Maintain property assets for civic purposes including the provision of specialist community facilities that allow the activities of Library services, Arts and Museums, and Swimming Pools to take place. <p>Public Toilets</p> <ul style="list-style-type: none"> Council provides functional and well-maintained public conveniences appropriate to the location and service required. <p>Community Centres and Halls</p> <ul style="list-style-type: none"> Provision of community centres and public halls to encourage participation in local activities and build a sense of community 			
Community Outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities (Housing) - the activity provides an opportunity for a home and a better quality of life for those in the community on low incomes.</p> <p>Strong Communities - community facilities and public halls provide places for groups to come together, strengthening social cohesion, and making Kapiti a more appealing place for people to live. Public toilets are also located conveniently throughout the district, protecting against public health risks.</p>			
Who benefits - individuals or groups of individuals or the community as a whole?	<ul style="list-style-type: none"> Housing for Older Persons: The primary beneficiaries are the tenants, who receive accommodation at below market rent. Their benefits are private and exclusive. However, there are some benefits to the community as a whole. By providing homes for 	<ul style="list-style-type: none"> Community Facilities (Other): The people and groups who use community facilities receive a clear and direct benefit. However, the provision of these facilities also has benefits for the wider community. Not only do the facilities help bring people together, the 	<p>Community Centres and Halls: The people and groups who use public halls and community centres receive a clear and direct benefit. Though the facilities are available to all, this benefit is private and exclusive – only one group can use a room in a hall or community centre at any one time. However, the provision of these facilities also has benefits for the wider community. Not only do the</p>	<p>Public Toilets: Individuals, visitors, businesses and the wider community all benefit from the provision of accessible, safe and sanitary conveniences (public health, tourism attraction). Council-owned public toilets clearly benefit people</p>

Community Facilities				
	people who otherwise may be unable to afford them, the Council also contributes to community cohesion and may have benefits for public health and safety.	groups that use them often make significant voluntary contributions to community well-being.	facilities help bring people together, the groups that use them often make significant voluntary contributions to community health, well-being and engagement.	who use them. However, their provision also benefits everyone who lives and works in the city, by protecting people in public places from the health hazards that would arise if there were no facilities or if facilities were not kept clean.
Can the beneficiaries be identified?	Housing for older persons – yes – individual tenants.	Community facilities – yes – individuals, community groups and wider community.	Public halls – yes – Individuals, community groups and wider community.	Public toilets –yes – individuals and entire community;
Period of benefits	ongoing benefits for the period the assets are being maintained and renewed.	ongoing benefits for the period the assets are being maintained and renewed.	ongoing benefits for the period the assets are being maintained and renewed.	ongoing benefits for the period the assets are being maintained and renewed.
Who/what creates need?	<ul style="list-style-type: none"> The primary beneficiaries are the tenants, who receive accommodation at below market rent. 	<ul style="list-style-type: none"> the whole community, community groups and visitors to the district creates the need for these facilities; and the entire community creates the need for affordable housing and public facilities 	<ul style="list-style-type: none"> the people and groups who use public halls and community centres receive a clear and direct benefit. 	<ul style="list-style-type: none"> Individuals, visitors, businesses and the wider community all benefit from the provision of accessible, safe and sanitary conveniences.
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	<p>Housing for Older Persons: Although the primary beneficiaries are tenants of pensioner housing, the council's rationale for service delivery (provision of affordable pensioner housing) means full recovery from fees and charges is inappropriate.</p>			

Community Facilities

Community Facilities (Other): 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 Centres and Halls: Although there is a large degree of private benefit to users of public halls and community centres, the Council does not believe it would be appropriate to fully recover the costs of this activity through fees and charges, as this would create barriers to access for those who cannot afford it.

Public Toilets: Since the provision of public toilets benefits the whole community, the fairest and most effective way to fund it is through the districtwide general rate. Although individuals also benefit, the Council does not believe it would be appropriate to refuse access to people who cannot or will not pay.

Funding source allocation and funding source

Operating costs:

Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates
Community Facilities	Housing for Older Persons	80%	-	20%	✓ (districtwide general rate)	-
	Public Halls	10-20%	-	80-90%	-	✓ (community facilities rate)
	Public Toilets	-	-	100%	✓ (districtwide general rate)	-
	Community Facilities (Other)	5-10%	-	90-95%	✓ (districtwide general rate)	✓ (community facilities rate)

Capital costs:

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Community Facilities capital expenditure projects are funded through:

Community Facilities

Funding Source	Proportion of Funding for 2021-2041
Rates funded depreciation	51%
Capital grants & subsidies (incl Waka Kotahi, New Zealand Transport Agency)	4%
Development and financial contributions	19%
Borrowings	26%
Total	100%

Parks and Open Space	
Activity Description	<p>Kapiti residents have a strong affinity with their parks, reserves, and open spaces. Council wishes to support this affinity and maintain a rich and diverse network of open spaces that protects and enhances the Kapiti Coast environment.</p> <p>This activity comprises of:</p> <ul style="list-style-type: none"> • Parks and Reserves – The Council manages 218 parks and reserves, covering nearly 591 hectares. Neighbourhood parks provide space and facilities for local communities, destination parks and our districtwide park. These are sources of pleasure, community pride, and places for recreation, which also contribute to the economic wellbeing of the district by attracting visitors. • Cemeteries – The Council administers burials and plot purchases as well as maintaining current and closed cemeteries. • Sportsgrounds and facilities – The council manages 13 sports grounds and facilities which provide active and passive recreation, play and social opportunities for both residents and visitors. • Cycleway, walkways and bridleways (CWB) – The Council maintains walkways and cycleways throughout the district, which contribute to the community's wellbeing by offering space for physical exercise and recreation, access to facilities and linkages between communities. • focus for community activity and involvement in improving the environment; • significant source of urban biodiversity (dependant on planting policies); and • open space as overflow paths for stormwater, water quality management.
Community Outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities - accessible natural and green environments, sportsgrounds and facilities, and cycleways and walkways, encourage people to gather together, share activities and connect with each other. The cemeteries also provide sensitive and respectful bereavement services catering for a wide range of communities and beliefs.</p> <p>Thriving Environment - natural and green environments protect and enhance our biodiversity and contribute to off-setting our carbon emissions.</p> <p>Vibrant Economy – parks and open spaces, including destination parks and sportsgrounds, are important for residents' quality of life and attracts visitors to the district.</p>
Who benefits - individuals or groups of individuals or the community as a whole?	<p>Parks & Reserves (including sportsfields and CWB):</p> <ul style="list-style-type: none"> • public/whole of community benefit through the provision of formal and informal recreational opportunities that enhance and support community health and well-being. The whole community also benefits from culture, amenity and biodiversity, and hazard management; • private/individual benefit to the community and sporting groups who use Council recreational facilities; • benefit gain for event organisers and sections of the business community from the commercial spend of participants associated with particular event; and

Parks and Open Space	
	<ul style="list-style-type: none"> private benefit from sports fields at time of use – valuable as general open space at other times. <p>Cemeteries:</p> <ul style="list-style-type: none"> Individual users, particularly families of the deceased; the community as a whole in the availability of well-maintained open space and as a repository of genealogical and other human interest or heritage information. The community as a whole also benefits from the public health benefits of ensuring burials and cremations are conducted appropriately. the provision of these services can also be seen to benefit funeral homes and other private businesses in this field.
Can the beneficiaries be identified?	Yes, although individual users of passive open spaces cannot be easily differentiated.
Period of benefits	Ongoing benefits over life of asset.
Who/what creates need?	The whole community, community groups, sports and recreational groups and visitors to the district.
Costs and benefits of distinct funding	<p>The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure, separate funding is considered important for transparency.</p> <p>Parks & Reserves (including sportsfields and CWB):</p> <p>User charges cover some of the costs of this activity. The bulk of the funding is through a targeted (community facilities) rate which reflects the different levels of usage and benefits.</p> <p>Cemeteries:</p> <p>Families of the deceased are private beneficiaries of the activity, and therefore it is appropriate to fund a portion of costs from user charges. The balance of funding is through the districtwide general rate, as majority of benefits flow to the wider community.</p>
Overall impact of allocation of liability	Council does not consider it appropriate to fully recover the costs of providing cemeteries and parks & reserves (including sportsfields) though user charges, as high charges would create barriers to access and may also have negative public health impacts if burials and cremations are not conducted appropriately. On balance, it is considered appropriate to adopt user charges as the largest single source of funding for cemeteries and parks & reserves (including sportsfields), but to also provide material levels of funding from districtwide general rates.

Parks and Open Space

Funding source allocation and funding source

Operating costs:

Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates
Parks & Open Spaces	Parks & Reserves (incl sportsfields)	0-5%	-	95-100%	-	✓ (community facilities rate)
	Cemeteries	60-70%	-	30-40%	✓ (districtwide general rate)	-

Capital costs:

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Parks and Open Spaces capital expenditure projects are funded through:

Funding Source	Proportion of Funding for 2021-2041
Rates funded depreciation	56%
Capital grants & subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-
Development and financial contributions	40%
Borrowings	4%
Total	100%

Recreation and Leisure		
Activity Description	<p>Local Government is responsible for promoting the cultural and social well-being of communities. This activity provides an important part of the community's social infrastructure by providing high quality library, aquatic facilities, and arts & cultural services to support strong and resilient communities. This includes:</p> <p>Libraries, Arts and Museums</p> <ul style="list-style-type: none"> • opportunities for people to express themselves and be challenged through the medium of art, • the ability to understand and celebrate their many identities and heritage; • enable and support the community to be informed, educated, inspired and creative; • provide accessible community focused facilities, spaces and opportunities for social interaction and engagement; • provide access to services and resources that facilitate learning and growth: • provide access to digital resources that enable people to remain connected, breakdown the digital divide and actively participate in a global world • provide access to a range of collection items, including historical items and items of cultural and community significance. <p>Aquatics</p> <ul style="list-style-type: none"> • pools maintained to enhance the health, enjoyment and quality of life of the district's residents and visitors. • enable community to be more active more often through the provision of a range of aquatic facilities and programmes; 	
Community outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities – libraries, arts and museums provide places where people can learn, discover, connect and share ideas here and abroad. Along with our aquatic facilities, they also provide access to sports and recreation opportunities which is important for people's health and wellbeing, while bringing people together, strengthening social cohesion, and making Kapiti a more appealing place for people to live.</p> <p>Vibrant Economy – libraries, arts and museums enhance the Kapiti Coast district's vibrancy as a diverse, cultural, active and eventful place attractive to visitors.</p>	
Who benefits - individuals or groups of individuals or the community as a whole?	<p>Libraries, Arts and Museums</p> <ul style="list-style-type: none"> • Main beneficiaries are the people who use the facilities and services. The individuals benefit by: <ul style="list-style-type: none"> ◦ access to opportunities for lifelong learning, self-development and recreational reading; 	<p>Aquatics</p> <ul style="list-style-type: none"> • the swimming pools mainly benefit users – the benefits are private and exclusive • community as a whole benefit from provision of recreation facilities and through public health, community activity, and social wellbeing

Recreation and Leisure		
	<ul style="list-style-type: none"> o access to facilities, services and resources that support their economic, social and cultural wellbeing; and o access to a safe and welcoming environment that enables greater social connection and reduced social isolation • Entire community benefits from: <ul style="list-style-type: none"> o choice of recreational activities and social, cultural and educational opportunities the library offers; o an informed and literate community; and o access to the breadth of artistic expression that contributes to community and individual wellbeing. • Groups of individuals benefit from access to specific resources, services, spaces and support that greatly enhance the life of those groups and individuals within them 	<ul style="list-style-type: none"> • 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.
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.
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 - creating the need for swimming pools. 	
Costs and benefits of distinct funding	<p>The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure, separate funding is considered important for transparency.</p> <p>Libraries, Arts and Museums</p> <p>The individuals and community groups that use the museum are the primary beneficiaries of the activity. The benefits are private therefore it is acceptable to charge people to use the facilities.</p> <p>Aquatics</p> <p>The individuals and community / school groups that use the pools are the primary beneficiaries of the activity. The benefits are private and exclusive, therefore it is appropriate and acceptable to charge people to use the pools.</p>	
Overall impact of allocation of liability	Libraries, Arts and Museums	

Recreation and Leisure

While individuals receive many of the direct benefits, the Council believes it is appropriate that most of the cost of running libraries, arts and museums should be met by the wider community. The community benefits as a whole and the widespread community support for these facilities justifies a significant ratepayer contribution. The libraries and museums are significant public facilities that are not in direct competition with the private sector.

Imposing user charges for entry to the libraries or basic book lending services is not considered acceptable, as this introduces barriers to people on low incomes and discourage use of library services. Fees are however imposed on services that are provided in addition to the core services of the library, such as, rental of DVDs and CDs. Since the vast majority of residents are also library users, the community facilities targeted rate is considered an effective way of funding the library service.

While there are clearly direct benefits to people who choose to visit the galleries and museums, the Council believes these are outweighed by the overall community benefits. Therefore, it is considered fair and efficient that the arts and museum activity be paid for by the whole community through the districtwide general rate.

Aquatics

Although there is a large degree of private benefit to users of aquatic facilities and programmes, the Council does not consider it appropriate to fully recover the costs of this activity through fees and charges, as this would create barriers to access for those people on low incomes. Therefore, Council consider it appropriate to subsidise a significant portion of the activity costs from community facility targeted rate.

Recreation and Leisure

Funding source allocation and funding source

Operating costs:

Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates
Recreation & Leisure	Libraries, Arts and Museums	0-5%	0-5%	95-100%	✓ (districtwide general rate – funds arts and museums)	✓ (community facilities rate – funds district libraries)
	Swimming Pools	25-30%	-	70-75%	-	✓ (community facilities rate)

Capital costs:

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Recreation & Leisure capital expenditure projects are funded through:

Funding Source	Proportion of Funding for 2021-2041
Rates funded depreciation	89%
Capital grants & subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-
Development and financial contributions	-
Borrowings	11%
Total	100%

Community Wellbeing	
Activity Description	<p>The community wellbeing activity provides a framework for the Council to develop and grow social assets, to ensure people are connected and living in communities that are connected. This involves:</p> <ul style="list-style-type: none"> • providing resources to the community for capacity building and service provision focused on community priorities; • providing high-quality advice on social research and evidence on key community factors, population-based services and environmental sustainability; • 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.
Community Outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities – this activity promotes social and cultural wellbeing, inclusiveness, and help residents feel connected through provision of social grants, and facilitation and advocacy services.</p> <p>Vibrant Economy - Residents and businesses have a strong sense of community and of public pride.</p>
Who benefits - individuals or groups of individuals or the community as a whole?	<ul style="list-style-type: none"> • Individual users of Council services and recipients of grants • Community groups receiving support through contracts and grants • The entire community benefits through improved levels of the community's social and cultural wellbeing, including health, cooperation, ability to leverage funding into the district, and the provision of services to the community.
Can the beneficiaries be identified?	Yes – entire community and private beneficiaries.
Period of benefits	The period of benefit is now and into the future.
Who/what creates need?	<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>Although there is some benefit to individuals, the principal benefit is to the community. Identifying the individual beneficiaries and the level of benefit they receive is not practical. Furthermore, even if it were feasible to charge people who benefit from the activity, it could discourage people from taking part.</p> <p>Therefore, the fairest and effective way is to fund the activity from districtwide general rates.</p>

Community Wellbeing

Overall impact of allocation of liability	While grants recipients benefit directly from this activity, seeking to recoup the cost from them would defeat the purpose of the grants pool. Given this and the benefits to the community as a whole, the Council believes the fairest and most effective way to fund this from districtwide general rates.						
Funding source allocation and funding source	<u>Operating costs:</u>						
	Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates
	Community Wellbeing	Community Wellbeing	-	-	100%	✓ (districtwide general rate)	-
	<u>Capital costs:</u>						
	The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.						
	No capital expenditure is planned for the draft 2021-41 LTP for Community Wellbeing, but any unplanned capital expenditure projects will be funded through borrowings.						
	Funding Source	Proportion of Funding for 2021-2041					
	Rates funded depreciation	-					
	Capital grants & subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-					
	Development and financial contributions	-					
Borrowings	-						
Total	-						

Economic Development	
Activity Description	<p>The Economic Development activity supports the growth of a vibrant, diverse and resilient Kāpiti Coast economy, that supports the delivery of districtwide well-being outcomes, through the promotion and encouragement of economic development opportunities within the district. Our activities include:</p> <ul style="list-style-type: none"> • Business and sector/industry support and facilitation • Business attraction, destination marketing and promotion • Attract and support major events in the district • Providing workforce and skills development • Districtwide economic infrastructure projects and initiatives • Supporting the delivery of actions in the District Recovery Plan <p>The activity also includes the estimated costs and revenue associated with the proposed Kapiti Gateway Centre project and future operations, as indicated in the Kapiti Gateway Project business case adopted by Council in February 2021. Note that once the centre is completed, it may be reported under a different Activity that will be responsible for the management of the asset.</p>
Community Outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering economic development activities and outcomes. This activity will also provide local Iwi with information space to share local stories and history through projects such as the proposed Kapiti Gateway Centre.</p> <p>Strong Communities – promoting and encouraging economic development opportunities is vital to attracting investment, talent, visitors and jobs to the district.</p> <p>Thriving Environment – the proposed Kapiti Gateway project aligns with and supports local and national strategy and planning in the areas of biodiversity and conservation by providing a clean hygienic environment to perform biosecurity purposes.</p> <p>Vibrant Economy – attracting talent, investment, visitors and jobs is vital to growing Kapiti's economy and ensuring the district remains vibrant.</p>
Who benefits – individuals or groups of individuals or the community as a whole?	<p>Economic Development and Kapiti Gateway Centre</p> <ul style="list-style-type: none"> • The business sector will benefit from specific economic development initiatives and opportunities; • the entire community, through a healthy, growing and sustainable economy – attracting a more diverse range of businesses which provides jobs and raise incomes through offering more skilled and sustainable employment opportunities. • residents accessing local employment opportunities; • visitors to the district benefit from visitor attractions; and • community groups and other agencies such as Department of Conservation (DoC) benefit from a purpose built facility that contributes to conservation efforts and provides information.

Economic Development	
Can the beneficiaries be identified?	<ul style="list-style-type: none"> Yes - the beneficiaries of this activity are principally businesses, the community as a whole, visitors to the district and community groups.
Period of benefits	The benefits from a strong and resilient economy accrue to current and future residents of the Kapiti Coast.
Who/what creates need?	Economic Development and Kapiti Gateway Centre <ul style="list-style-type: none"> the entire community (development of economy); individual businesses; visitors to the district (including those visiting Kapiti Island); and community groups and other agencies such as Wellington NZ and Department of Conservation (DoC).
Costs and benefits of distinct funding	Economic Development <ul style="list-style-type: none"> The beneficiaries of the activity are predominantly the business sector and the community as a whole. As the benefits can be identified separately, it is appropriate to fund part of the activity through a targeted rate to the commercial sector, and a districtwide general rate to reflect that the wider community benefits from an improved economy. Whilst visitors and community groups have been identified as beneficiaries, not all of the benefits accruing to these groups are distinct enough to justify charging separately. For example, it is not practical (or desirable) to identify and charge all people visiting Kapiti to shop or visit the beach. Kapiti Gateway Centre <ul style="list-style-type: none"> The whole community benefits from increased tourism and jobs to the district, and the social and cultural benefits associated with the centre. Therefore, the most appropriate way to fund this activity is through: <ul style="list-style-type: none"> The districtwide general rate to reflect the wider community benefits, and Fees and charges to private beneficiaries of the Kapiti Gateway Centre.
Overall impact of allocation of liability	Economic Development <ul style="list-style-type: none"> Although the business sector is a significant beneficiary of economic development activity undertaken in the Kapiti Coast district, Council does not think it appropriate to recover the majority of costs for this activity from the sector as this may impede, rather than encourage economic growth. It is Council's view that general ratepayers should bear a portion of the costs. This is appropriate as the benefit to the community as a whole are far greater. For example, through more employment opportunities; growth in demand to live and work in the district; and the flow on effects that could have to property valuations and business opportunities.

Economic Development	
	<p>Kapiti Gateway Centre</p> <ul style="list-style-type: none"> • The whole community benefits from increased tourism and jobs to the district, and the social and cultural benefits associated with the centre. • Therefore, the most appropriate way to fund this activity is through: <ul style="list-style-type: none"> • the districtwide general rate to reflect the wider community benefits, and • fees and charges to private beneficiaries of the Kapiti Gateway Centre.
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <p>Economic Development</p> <ul style="list-style-type: none"> • Part of this activity includes the undertaking of specific economic initiatives, where external funding may partially or fully subsidise the cost of the activity, and therefore requires a partial or no rates funding. As the level of external funding received may change on a year to year basis, there is the underlying principle that any portion of costs associated with undertaking economic initiatives that are eligible for external funding is 100% funded from other income, and not funded through rates. • The funding policy target therefore excludes the economic initiatives funded by external revenue, and is focused on the remaining elements in the activity. It is recommended that they are 100% funded through rates and it is proposed they are spread across the sectors that benefit from the activity. This approach attributes the main benefits to the whole community and partly to the business community. • The portion funded from rates is proposed to be spread across the sectors that benefit from the activity. This approach attributes the main benefits to the whole community and partly to the business community. It is proposed that the commercial targeted rate will fund: <ul style="list-style-type: none"> ○ 100% of costs related to developing workforce skills and capability, and providing business/industry support and attraction (e.g. business capability support, pop-up business school, and visitor attraction); and ○ 50% of costs related to events and sponsorships, marketing and promotion activities, and the provision of an Economic Development Strategy for the district. <p>Kapiti Gateway Centre</p> <ul style="list-style-type: none"> • As the Kapiti Gateway Centre's operating model is still under development, the proposed funding target is based on the estimated costs and revenue identified in the business case. Even though it is projected that the operation will become self-sustaining over time, the Centre is not expected to break-even until 2026/27. Until then, it is proposed that any net operating deficit is funded from districtwide general rates to reflect the benefits to the wider community. There will be more certainty on the costs, sources and level of funding once the operating model is fully developed.

Economic Development

Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates
Economic Development	Economic Development	-	-	100%	✓ (districtwide general rate 58%)	✓ (commercial targeted rate 42%)
	Kapiti Gateway Centre	60-70%	-	30-40%	✓ (districtwide general rate)	-

Capital costs:

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Economic Development (including Capital Gateway Centre) capital expenditure projects are funded through a combination of rates funded depreciation, borrowings, and other capital grants and subsidies. Funded by:

Funding Source	Proportion of Funding for 2021-2041
Rates funded depreciation	-
Capital grants and subsidies (incl Waka Kotahi, New Zealand Transport Agency)	39%
Development and financial contributions	-
Borrowings	61%
Total	100%

Governance	
Activity Description	<p>Council seeks to strengthen democracy through facilitating community input to decision-making processes and structures. It also aims to effectively and efficiently manage the democratic framework in line with legislative requirements and Council's Significance and Engagement Policy. This includes:</p> <ul style="list-style-type: none"> • public accountability of Council governance; • ensuring a fair, timely, accessible, informative and responsive engagement process; and • ensuring that public expectations are met regarding identifying community needs, both current and future.
Community outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities - this activity provides information about Kapiti Coast and its services, which encourages people to use the district's facilities and provides access to information. It also enhances trust and confidence in civic decision-making and encourages the community to participate in city governance.</p>
Who benefits - individuals or groups of individuals or community as a whole?	<ul style="list-style-type: none"> • the entire community benefits from involvement in Council's decisions and goals, knowledge of the intended paths to meet those goals, and monitoring of progress. • parts of the community served by community boards. • individuals who engage with the Council on consultations and make submissions; • the whole community also benefits in terms of operation of local democracy and statutory processes.
Can the beneficiaries be identified?	Yes – entire community, and community groups (through community boards).
Period of benefits	Benefits are on-going with a Council/public partnership.
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; and • statutory requirement.
Costs and benefits of distinct funding	<p>The distinctness of beneficiaries of the activity supports multiple funding streams:</p> <ul style="list-style-type: none"> • 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; and • the balance of funding is through the districtwide general rate, as significant benefits arising from this activity flow to the wider community.
Overall impact of allocation of liability	Even though individuals who engage with Council can be separately identified, it is not considered appropriate to charge fees, as this does not align with Council's goal to encourage public participation and engagement in the democratic process and decision-making.

Governance

Funding source allocation and funding source

Operating costs:

Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates
Governance	Governance	-	-	100%	✓ (districtwide general rate)	✓ <ul style="list-style-type: none"> Community Facilities Rate Otaki Community Rate Paekakariki Community Rate Paraparaumu / Raumati Community Rate Waikanae Community Rate

Capital costs:

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Governance capital expenditure projects are funded through a combination of rates funded depreciation and borrowings.

Funding Source	Proportion of Funding for 2021-2041
Rates funded depreciation	100%
Capital grants and subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-
Development and financial contributions	-
Borrowings	-
Total	100%

Tāngata Whenua						
Activity Description	The Council recognises and acts on its obligations under the Treaty of Waitangi (Te Tiriti) and its specific responsibilities under the Local Government Act and other legislation. We foster partnerships with Mana Whenua (local Iwi) and consultation relationships with the wider Māori community. The relationship between the Council and Māori is supported by a dedicated team which provides us with advice and administrative support on Te Tiriti-based relationships.					
Community outcomes to which the activity contributes	Strong Communities (Mana Whenua) - this activity promotes inclusiveness, celebrates social and cultural diversity and enables us to respond to the needs and aspirations of Māori.					
Who benefits - individuals or groups of individuals or community as a whole?	<p>The benefits of this activity are equally spread between the whole community and the Council's Mana Whenua partners:</p> <ul style="list-style-type: none"> • Mana Whenua partners benefit by having a direct input into Council decisions and therefore the future direction of the district; and • the community benefits because the partnership leads to better understanding and cooperation between local Māori and the wider community. These benefits contribute to the general cultural, economic, social and environmental wellbeing of the Kapiti Coast district. 					
Can the beneficiaries be identified?	Yes – entire community, individuals and community groups / Mana Whenua partners.					
Period of benefits	Benefits are on-going with a Council/Mana Whenua partnership.					
Who/what creates need?	<ul style="list-style-type: none"> • need is created by entire community to promote inclusiveness, celebrate social and cultural diversity and enable Council to respond to the needs and aspirations of Māori; • need is created by Council's Mana Whenua partners to enhance the visibility of Māori culture and history in the district by telling the story of Kapiti's Māori; and • the Treaty of Waitangi. 					
Costs and benefits of distinct funding	The benefits of the relationship and activity accrue to both Māori and the whole community, and as such it is appropriate for this activity to be funded from districtwide general rates.					
Overall impact of allocation of liability	Even though individuals and groups who engage with Council can be separately identified, it is not considered appropriate to charge fees, as this does not align with Council's goal to encourage local Maori participation and engagement in the democratic process and decision-making.					
Funding source allocation and funding source	Operating costs:					
	Activity	Sub-activity	User Fees	Other Income	Rates	General Rates
	Tangata Whenua	Tangata Whenua	-	-	100%	<div>✓</div> <div>(districtwide general rate)</div>

Tāngata Whenua

Capital costs:

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Tāngata Whenua capital expenditure projects are funded through borrowings.

Funding Source	Proportion of Funding for 2021-2041
Rates funded depreciation	-
Capital grants and subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-
Development and financial contributions	-
Borrowings	100%
Total	100%

Regulatory Services

Activity Description

Regulation and compliance services are needed to administer the laws that govern building and development work, the health and safety of licensed activities, and the management of animals in public spaces. The Council enforces compliance with regulations, monitors individual licences and approvals, investigates complaints and non-compliance, and assesses the potential effects of various activities while still enabling builders, developers, business and property owners to carry on their business.

The key components of this Activity are:

Building Consents

- Compliance services relating to Building Act, Local Government Act, and relevant bylaws and policies;
- Standards of safety and quality of buildings within the district are monitored and enforced;
- Provide guidance and advice; and
- Supporting ongoing use of buildings following an emergency.

Resource Consents and Compliance

- Compliance services relating to Resource Management Act (District Plan), Local Government Act, and relevant bylaws and policies;
- Sustainable management of all physical and natural resources on the Kāpiti Coast to sustain the life-supporting capacity of these resources and 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.

Environmental Standards – Environment Health & Compliance

- Compliance services relating to Local Government Act, Food Act, and relevant local bylaws and policies;
- provision of education, an efficient monitoring, regulatory and response service;
- Alcohol Licensing;
- Food safety management;
- Health Licensing and Environmental Health, including environmental nuisance and environmental health risks e.g. excessive noise management and recreational water quality.

Environmental Standards – Animal & Public Spaces Management

- Compliance services relating to Local Government Act, Litter Act, and relevant local bylaws and policies;
- provision of education, an efficient monitoring, regulatory and response service;
- Provision of animal and public spaces management;
- Provision of parking services;

Regulatory Services				
Community outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities (Housing) – regulatory activities such as controlling development and building work in accordance with the Resource Management Act and Building Act, ensures the housing stock in the district are of standard and safe.</p> <p>Strong Communities – regulatory activities such as controlling development and building work, licensing and monitoring food and liquor outlets, registering dogs etc., are necessary to protect public health and safety, and to protect future users of land and buildings.</p> <p>Thriving Environment – regulatory activities such as controlling development in accordance with the Resource Management Act ensure resources are used sustainably.</p>			
Who benefits – individuals or groups of individuals or community as a whole?	<p>Building Consents</p> <p>Building consent and regulatory activities are primarily a private benefit to the individual user, with the public deriving benefit through the use of compliant buildings.</p> <p>For example, LIMs (land information memoranda) are mainly a private benefit for the recipient whereas building warrant of fitness work and the EQP (Earthquake prone building) programme are mainly of benefit to the public by improving building safety for occupants and users. Enforcement work and enquiries are also a mix of private and public benefit.</p>	<p>Resource Consents</p> <ul style="list-style-type: none"> the entire community benefits from the sustainable management of the Kāpiti Coast environment; and Individuals such as subdividers / developers / landowners benefit from the process. <p>The main beneficiaries of this work are the individual people and businesses involved in land subdivision and development or use of other resources. This work helps ensure the developments are safe, sustainable and meet legal obligations.</p> <p>There is also a public benefit. By controlling the safety and environmental effects of developments, we help prevent harm to members of the public both now and in the future.</p>	<p>Environmental Standards – Environment Health & Compliance</p> <ul style="list-style-type: none"> There is a private benefit to individual users of Council's regulatory services, such as owners of fenced pools, individual businesses requiring food and alcohol licensing to legally operate, individuals who have their complaints dealt with or otherwise are protected from a hazard or nuisance; the entire district benefits from regulatory requirements that promote the health, safety and wellbeing of the community and visitors; and the public enjoys ongoing benefits of business 	<p>Environmental Standards – Animal & Public Spaces Management</p> <ul style="list-style-type: none"> there is private benefit to users of Council's regulatory services such as dog owners and individuals / businesses trading in public spaces; the whole community benefits from animal control activities such as dog ownership, management of stock and other animals, to ensure that they do not cause nuisance, injure, endanger or cause distress to the public.

Regulatory Services				
Can the beneficiaries be identified?	Yes – entire community; and yes – private individuals - building owners and users.	Yes – entire community – indirect benefits through the counter services we provide, and connections with other government organisations (eg Ministry for the Environment); and Yes – private individuals - specific developers / land owners.	Yes – private individuals (eg. swimming pool owners) and businesses can be identified. Yes – entire community benefits from regulatory requirements that promote the health, safety and wellbeing of the community and visitors.	Yes – private individuals such as owners of animals and parked vehicles can be identified. Yes – entire community benefits from regulatory requirements that promote the health, safety and wellbeing of the community and visitors.
Period of benefits	Ongoing.	Ongoing.	Ongoing.	Ongoing.
Who/what creates need?	<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. 	<ul style="list-style-type: none"> subdividers / developers / land owners; the entire community – current and future generations; Protecting the physical and built environment, and ensuring the built environment is constructed in a way that is sustainable (balancing impact on surrounding environments and meeting the needs of residents); and statutory requirement. 	<ul style="list-style-type: none"> users of regulatory services such as individuals and businesses; 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. 	<ul style="list-style-type: none"> users of regulatory services such as individuals and businesses; 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.
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, Council considers it appropriate to fund this from the districtwide general rate, as the benefits flow to the wider community.			
Overall impact of allocation of liability	Council acknowledges that full cost recovery through user charges would increase those user charges to a point where full compliance may be discouraged. On balance, it is considered appropriate to adopt user charges as the largest single source of funding for this Activity, but to also provide material levels of funding from districtwide general rates.			

Regulatory Services

Funding source allocation and funding source

Operating costs:

Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates
Regulatory Services	Building Consents	60-70%	-	30-40%	✓ (districtwide general rate)	-
	Resource Consents	50-60%	-	40-50%	✓ (districtwide general rate)	-
	Environmental Standards – Health & Compliance	25-35%	-	65-75%	✓ (districtwide general rate)	-
	Environmental Standards – Animal Management	55-65%	-	35-45%	✓ (districtwide general rate)	-

Capital costs:

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Regulatory Services capital expenditure projects are funded through a combination of rates funded depreciation and borrowings. Funded by:

Funding Source	Proportion of Funding for 2021-2041
Rates funded depreciation	-
Capital grants and subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-
Development and financial contributions	-
Borrowings	100%
Total	100%

Districtwide Planning	
Activity Description	<p>This activity is focussed on the preparation of the District Plan, ongoing maintenance of and delivery of our policy and research work programme, and provision of a housing programme for the Kapiti Coast district.</p> <p>The District Plan is Council's primary land use regulation which enables growth and development while ensuring the sustainable management of the district's natural and physical resources. The district-wide planning activity makes a significant difference to community wellbeing by:</p> <ul style="list-style-type: none"> • supporting development of quality urban environments, and ensuring sufficient land is available for a range of housing types; • protecting valued features of the district, including sites of particular significance to mana whenua, significant natural areas, productive soils, and landscapes; • changing land use regulation as necessary to increase resilience to natural hazards and the future impacts of climate change; • enabling business development and growth; and • developing vibrant, diverse and liveable communities. <p>The housing programme looks more broadly at how we can improve access to suitable quality housing across the district, which includes a range of initiatives such as:</p> <ul style="list-style-type: none"> • expanding land supply and incentivising higher density development in suitable areas • explore partnering opportunities on housing developments to boost supply • looking into opportunities with the public housing sector to increase provision of social housing in the district • seeing if there is suitable land that could be used for temporary relocatable housing <p>The Research and Policy sub-activity is focussed on policy development, ongoing maintenance and delivery of our policy & research work programme (surveys/data collection and analysis to support decision-making, policy development, submissions and advocacy).</p>
Community outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – this activity seeks to engage and partner with local iwi to identify and deliver on community outcomes, including those that are of particular significance and importance to iwi.</p> <p>Strong Communities (Housing) – the housing programme seeks to improve access to suitable quality housing and increase provision of social housing across the district</p> <p>Strong Communities – the District Plan ensures the Kapiti Coast district's built form is developed appropriately, whilst the housing programme promotes community resilience and enhances standards of living by improving access to quality safe affordable housing. Our policy & research work programme supports the running of an efficient and effective Council, which ensures that the needs of Kapiti Coast district are met, that its' residents are engaged and connected, and that there are appropriate policy responses to issues that are important to the community.</p> <p>Thriving Environment – this activity protects the environment and valued features of the district and increase resilience to natural hazards and the future impacts of climate change.</p>

Districtwide Planning	
	<p>Vibrant Economy - this activity shapes how the built form and urban culture of the district is developed into the future, and supports the outcomes associated with ensuring that our local economy is prosperous with ample opportunities for people to work and learn in Kāpiti.</p>
Who benefits - individuals or groups of individuals or community as a whole?	<p>Districtwide Planning</p> <ul style="list-style-type: none"> • developers benefit from a clear consistent policy framework for development proposals; • individuals and community groups immediately affected by development proposals; • the entire community benefits from the provision of a regulatory framework to manage development and change and its effects, ensuring a sustainable environment that protects the unique character and existing amenity values of the district; • the whole community also benefits from the opportunities for growth and more liveable and vibrant urban areas and involvement in design process. <p>Housing</p> <ul style="list-style-type: none"> • developers benefit from potential development proposals; • individuals and community groups immediately affected by development proposals; • individuals who currently cannot access quality affordable housing would benefit, as developments arising from this activity would allow more affordable housing to be available on a greater scale than is currently the case; and • the community as a whole also benefits through improving the overall availability and quality of affordable and social housing stock in the district. <p>Research and Policy</p> <p>Research and policy formulation are essential Council services that inform and enable elected members to set policies and manage resources to benefit the whole community. These are part of decision-making and accountability processes that enhance residents' well-being by improving the quality of Council decisions and provide the community with an avenue for feedback.</p>
Can the beneficiaries be identified?	<p>Districtwide Planning</p> <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 from the plan change, it may be treated as a public plan change • the whole community benefits from an effective and efficient District Plan. <p>Housing</p> <ul style="list-style-type: none"> • yes – developer, individuals, community groups, and the community as a whole. <p>Research & Policy</p> <p>yes – individuals, community groups and the community as a whole, benefit from clear accountability and decision-making frameworks provided in Council policies and from the research data and analysis that informs Council planning</p>
Period of benefits	Current and future residents benefit from sufficient housing capacity and protection of the environment for future generations.

Districtwide Planning	
Who/what creates need?	<p>Districtwide Planning and Housing</p> <ul style="list-style-type: none"> • Developers and business owners, community groups, and entire community; • climate change and other issues that we need to respond to; • commitments from settling appeals; • statutory requirement; and • Population growth. <p>Research & Policy</p> <ul style="list-style-type: none"> • need is created by entire community for knowledge of Council's decision-making processes; • need is created by the Council for an efficient and effective interface with and guidance from the public in decision making, and to help identify the needs of the community; • statutory requirement (e.g. the Local Government Act 2002 requires population forecast assumptions for Long-Term Planning); and • provide systems and resources to help Council achieve agreed community well-being outcomes.
Costs and benefits of distinct funding	<p>The distinct beneficiaries for each component of the activity support multiple funding streams.</p> <p>Districtwide Planning</p> <p>Majority of the benefits from this activity flow to the community as a whole, except for private plan changes where the benefits accrue to the private individual.</p> <p>Community groups have been identified as beneficiaries of this activity, but the benefits accruing to these groups are not distinct enough to justify charging separately. For example, environmental groups may benefit from certain plan changes, but the same level of benefits also accrue to the wider community. The cost of funding this group separately exceeds any benefits that might be gained. There will also be some plan changes which may benefit some landowners (e.g. changing the plan to make certain land uses easier), however these will sometimes also have wider community benefit, such as enabling more provision of housing in suitable locations)</p> <p>Therefore, the most appropriate way to fund the bulk of this activity is by the whole community through the districtwide general rate, whilst private plan changes are fully funded by the private beneficiary through fees and charges.</p> <p>Housing</p> <p>Majority of the benefits accrue to private beneficiaries such as developers and potential tenants, who can be separately identified.</p> <p>As the community as a whole also benefits from improved access to suitable quality housing across the district and a wider provision of different sorts of housing, it is appropriate for general ratepayers to bear the costs of this activity.</p>

Districtwide Planning																																
	<p>Research & Policy</p> <p>The primary beneficiary of this activity is considered to be the whole community. It is therefore considered appropriate to source funding from districtwide general rates.</p>																															
Overall impact of allocation of liability	<p>Districtwide Planning</p> <p>Even though every individual requesting a plan change is a direct and private beneficiary, depending on the nature of the plan change, public benefits may arise from it. In those instances, where sufficient public benefits can be identified from a requested plan change, it may be appropriate to classify these as public plan changes and partially or wholly fund it from districtwide general rates.</p> <p>Housing</p> <p>While the private market does provide housing, this activity seeks to encourage the sort of development which would not commonly occur without Council's support or facilitation. The main intention of this activity is to help address the housing pressures being experienced in the district, and to seek to recoup the cost from private beneficiaries (such as developers and community housing providers) would defeat the purpose of Council support as this may affect housing affordability and feasibility. In addition, much of the work in this activity is strategic and facilitative in nature with broadly delivered benefits through a quality framework.</p> <p>Given this and the benefits to the community as a whole, the fairest and most effective way to fund this activity is 100% from districtwide general rates.</p> <p>Research & Policy</p> <p>Even though individual and community groups have been identified as private beneficiaries, the key purpose of this activity is to support Council decision-making and accountability processes to ensure community outcomes are achieved. The whole community benefits and therefore it is fair to fund this activity from districtwide general rates.</p>																															
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <table border="1"> <thead> <tr> <th>Activity</th><th>Sub-activity</th><th>User Fees</th><th>Other Income</th><th>Rates</th><th>General Rates</th><th>Targeted Rates</th></tr> </thead> <tbody> <tr> <td rowspan="3">Districtwide Planning</td><td>Districtwide Planning</td><td>0-5%</td><td>-</td><td>95-100%</td><td>✓ (districtwide general rate)</td><td>-</td></tr> <tr> <td>Research and Policy</td><td>-</td><td>-</td><td>100%</td><td>✓ (districtwide general rate)✓</td><td>-</td></tr> <tr> <td>Housing</td><td>-</td><td>-</td><td>100%</td><td>✓</td><td>-</td></tr> </tbody> </table>						Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates	Districtwide Planning	Districtwide Planning	0-5%	-	95-100%	✓ (districtwide general rate)	-	Research and Policy	-	-	100%	✓ (districtwide general rate)✓	-	Housing	-	-	100%	✓	-
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	Research and Policy	-	-	100%	✓ (districtwide general rate)✓	-																										
	Housing	-	-	100%	✓	-																										

Districtwide Planning

					(districtwide general rate)	
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Capital costs:

The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity.

Districtwide Planning (including Housing and Research and Policy) capital expenditure projects are funded through borrowings.

Funding Source	Proportion of Funding for 2021-2041
Rates funded depreciation	-
Capital grants and subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-
Development and financial contributions	-
Borrowings	100%
Total	100%

Corporate	
Activity Description	<p>Corporate activities relate to the provision of operational support services to elected members and Council staff, enabling Council to operate and govern effectively and in a financially prudent manner. It also allows Council to engage with, inform, and deliver services and facilities to the community to meet the needs of, and benefit, the Kāpiti district community. These services are provided to support the Council in the effective and efficient running of the organisation.</p> <p>The key components of this activity include:</p> <ul style="list-style-type: none"> • Finance and financial management (financial strategy, financial policies, rates support, accounts payable, and receivable, collection of regional rates on behalf of Greater Wellington Regional Council) • Corporate planning and reporting (preparation of long term plans, annual plans, and annual reports) • Business improvement (review business processes, systems, procedures and documentation, as and when required to identify and develop improvements) • Internal and external communications and engagement (provide strategic communications advice and support, and help plan and deliver public information, stakeholder and community engagement and consultation activity) • Legal counsel services (preparing or commissioning legal advice, ensuring legal compliance) • Customer engagement services • Administering official information requests process • Administering staff delegations and warrants • Organisation-wide ICT systems and services (providing and supporting applications and platforms, network, telephony, records management and GIS support) • Council procurement.
Community outcomes to which the activity contributes	<p>Strong Communities (Mana Whenua) – Council seeks to foster effective partnerships and engage with Mana Whenua in delivering on Council activities and outcomes.</p> <p>Strong Communities – this activity supports the running of an efficient and effective Council, which ensures that the needs of Kapiti Coast district are met, and that its' residents are engaged and connected.</p> <p>Thriving Environment – through the provision of operational support services to relevant staff and activities within Council associated with environmental sustainability, this activity supports the outcomes associated with ensuring that our natural environment is restored and enhanced as we transition to a low-carbon future.</p> <p>Vibrant Economy – through the provision of operational support services to relevant staff and activities within Council associated with economic development and local initiatives, this activity supports the outcomes associated with ensuring that our local economy is prosperous with ample opportunities for people to work and learn in Kāpiti.</p>

Corporate	
Who benefits - individuals or groups of individuals or community as a whole?	<p>The district as a whole benefit from the core support services provided to other Council activities. Benefits to the whole community include:</p> <ul style="list-style-type: none"> • Indirect contribution to community well-being through provision of systems, processes, and resources that enable Council to engage with, inform, and deliver services and facilities to the community to meet the needs of, and benefit, the Kāpiti district community; • Communications (internal and external) and customer engagement services contribute to social well-being through increased and improved connectedness and responsiveness; • Consultation, planning and reporting are essential Council services that inform and enable elected members to set policies and manage resources to benefit the whole community. Along with elections, they also allow people to influence the Council. These decision-making and accountability processes enhance residents' well-being by improving the quality of Council decisions and by giving them a sense of empowerment arising from the fact they can have their voices heard; • Providing information and services to the community and having points of contact where residents can communicate with Council are essential services. They enable Council to rapidly respond to information received from the public regarding service problems and other customer feedback. <p>Individuals also benefit from access to Council information like valuation and property systems. Note that these remain core components of the Council's ratings systems and are also utilised by the Greater Wellington Regional Council (GWRC).</p>
Can the beneficiaries be identified?	Yes – entire community, and individual organisations such as the GWRC
Period of benefits	The period of benefit is now and into the future.
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, and to help identify the needs of the community; • statutory requirement (particularly s.93 Long-Term Planning); and • provide systems and resources through which to enable Council to achieve agreed community well-being outcomes.
Costs and benefits of distinct funding	The distinct beneficiaries for each component of the activity support multiple funding streams. Given the size of the expenditure separate funding is considered important for transparency. Most of the costs of these services are recovered through internal charges (with the exception of Treasury, Corporate Planning & Reporting).
Overall impact of allocation of liability	<p>The primary beneficiary of this Activity is the community as a whole. It is therefore considered appropriate to source funding mostly from districtwide general rates.</p> <p>The GWRC receives significant benefits from access to Council's property and valuation databases, and collection of GWRC rates on their behalf. Therefore, it is appropriate that the GWRC provides funding to Council in a cost sharing arrangement.</p>

Corporate

	Some other individuals also receive private benefits from access to Council’s staff and requests for information, however, Council believes the benefit to the community as a whole out-weighs this. For the city to run efficiently it is important there is a constant two-way flow of information and the Council does not wish to limit this with the introduction of charges. It is therefore appropriate that this activity is mostly funded by the districtwide general rate.																										
Funding source allocation and funding source	<p><u>Operating costs:</u></p> <p>This activity includes income sources that can be unpredictable or volatile in nature, such as interest income, rate penalties, dividends etc. The levels of external income received may vary year on year depending on external factors. The funding policy target therefore excludes the portion of costs funded by external revenue, and is focused on the remaining elements in the activity. This is 100% funded from districtwide general rates as it benefits the whole community.</p> <table><tr><th>Activity</th><th>Sub-activity</th><th>User Fees</th><th>Other Income</th><th>Rates</th><th>General Rates</th><th>Targeted Rates</th></tr><tr><td>Corporate</td><td>Corporate</td><td>-</td><td>-</td><td>100%</td><td>✓ (districtwide general rate)</td><td>-</td></tr></table> <p>Funded by:</p> <ul style="list-style-type: none">• districtwide general rate; and• other income (rates penalties, interest income, dividends and GWRC contract revenue). <p><u>Capital costs:</u></p> <p>The interest and depreciation costs relating to capital expenditure are incorporated in the operating costs of each activity. Corporate capital expenditure projects are funded through rates funded depreciation and borrowings.</p> <table><tr><th>Funding Source</th><th>Proportion of Funding for 2021-2041</th></tr><tr><td>Rates funded depreciation</td><td>30%</td></tr><tr><td>Capital grants and subsidies (incl Waka Kotahi, New Zealand Transport Agency)</td><td>-</td></tr><tr><td>Development and financial contributions</td><td>-</td></tr><tr><td>Borrowings</td><td>70%</td></tr><tr><td>Total</td><td>100%</td></tr></table>	Activity	Sub-activity	User Fees	Other Income	Rates	General Rates	Targeted Rates	Corporate	Corporate	-	-	100%	✓ (districtwide general rate)	-	Funding Source	Proportion of Funding for 2021-2041	Rates funded depreciation	30%	Capital grants and subsidies (incl Waka Kotahi, New Zealand Transport Agency)	-	Development and financial contributions	-	Borrowings	70%	Total	100%
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