

# REVENUE AND FINANCING POLICY

## Introduction

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

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

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

This document provides a detailed assessment of the above criteria for each of the Council's activities included in the 2021-2031 Long Term Plan. The Council's decisions on which funding sources to use for both operational and capital expenditure will be made after considering and weighing up these criteria on balance.

## Guiding principles

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

### Essential services

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

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

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

### Ability to pay

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

### **District diversity**

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

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

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

### **Distribution of rateable costs**

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

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

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

### **Notes on funding sources**

For operational expenditure, the portion of funding from each source is expressed as a range – low, medium or high. These ranges equate to the following percentages:

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

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

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



## Council group of activities

This group of activities contains the following activities:

- Representation
- Grants and Remissions
- Property
- Economic Development
- District Plan



## Representation activity

### What we do

The Local Government Act 2002 sets out the principles and processes that Council must abide by when making decisions. Other legislation gives us additional duties and responsibilities and provides rules for many of our processes. These include the Local Electoral Act 2002 for elections and representation review processes, the Local Government Official Information and Meetings Act 1987 on access to information, and the Resource Management Act 1991 for District Plan development and plan making in relation to sustainable management of natural and physical resources.

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

Our leadership role is changing and so too is the environment we operate within. Council has legal obligations to partner with tangata whenua in determining the future of the district. We expect that Treaty settlements will soon be finalised between the Crown and Hauraki iwi. Post-Treaty settlement arrangements have the potential to bring new challenges and opportunities as we build and foster more enduring

relationships and partnerships with better-resourced and statutorily empowered Hauraki iwi.

The next local government elections will be held in 2022. Prior to the nomination period, a pre-election report will be released by the Council's Chief Executive to promote public discussion about the issues facing the district. The report will include information on the Council's financial position and the major projects planned for the following three years.

The Local Electoral Act 2002 requires local authorities to review their representation arrangements at least once every six years. The last representation review was last undertaken in 2014/15 in preparation for the 2016 elections. The next representation review will be held in 2020/21.

Two activity components have been identified which reflect the different representation structures:

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

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

Council	The Representation activity...
<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"> <li>identifies and plans for community needs</li> <li>guides decision-making to support economic growth and thriving communities</li> <li>provides transparency and opportunities for all parts of the community to be actively involved in the direction of the council</li> </ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"> <li>identifies and plans for infrastructure and service to support the needs and sustainable growth of the community</li> <li>identifies and advocates for community needs and preferences</li> <li>recognises and develops the relationships with the District's iwi</li> </ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"> <li>considers the impact of decisions and guides decision making around the management of our natural environment or native biodiversity</li> <li>supports community members to participate in looking after the environment</li> </ul>

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

#### District representation:

The benefits of this activity are generally provided to the community as a whole. The Mayor and Councillors represent the whole community and everyone benefits from the process of democracy.

#### Local representation:

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

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

#### District representation:

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

#### Local representation:

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

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

#### District representation:

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

#### Local representation:

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

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

#### District representation:

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

#### Local representation:

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

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

**District representation:**

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

- those who are eligible to vote
- individuals and groups who pursue issues of interest to the council or community board.

**Local representation:**

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

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

It is not practicable to identify these members.

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

**District and local representation:**

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

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

**District and local representation:**

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

**How will the activity be funded in the 2021-2031 Long Term Plan?**

**Operating expenditure** is funded as shown:

	District	Local
<b>Rates</b>		
Uniform Annual General Charge - District	High	High

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

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

	ILOS	Renewal	AC
General rate	No	No	No
Uniform Annual General Charge (investment income subsidy)	Yes	Yes	No
Targeted rate	No	No	No
Lump sum contributions	No	No	No
Fees and charges	No	No	No
Borrowing	Yes	Yes	No
Asset sales	No	No	No
Development contributions	No	No	No
Financial contributions	No	No	No
Grants and subsidies	No	No	No
Depreciation reserves	No	Yes	No

	ILOS	Renewal	AC
Other reserves	Yes	Yes	No

The only capital expenditure in the representation activity is for computer software and hardware.

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

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

Funding for capital expenditure by either the UAGC, general rate, targeted rates or fees and charges is based on the same rationale as that for operational expenditure and funds the repayment of debt.

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

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



## Grants & Remissions activity

### What we do

Council actively collaborates with organisations to achieve efficient use of resources, strong partnerships and financial assistance, which contributes

to greater community cohesion. This is achieved by service level agreements, the administration of grants for community groups and events, and administration of the rates remission policy.

The grants budget has a district and a local component. The district grants budget provides funding for community services through Sport Waikato, Age Concern, Coromandel Heritage Trust, He Mana Toi Moehau Trust (Creative Coromandel), and the Natural and Cultural Heritage Fund.

Each of the Community Boards also has a local grants budget that provides annual contestable funding for community organisations and funds local service level agreements for three-year terms.

Two distinct activity components have been identified which reflect the different beneficiaries of the different services:

- District grants and remissions – focusing on delivering services that provide benefits District-wide
- Local (community board area) grants and remissions - focusing on services to local communities.

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

Council Outcome	The Grants and Remissions
<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"> <li>• provides support to a range of community, recreation and leisure opportunities</li> <li>• provides funding support for high quality events helping to increase visitor numbers</li> </ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"> <li>• advocates for our communities' needs by facilitating and funding community strategies and forums</li> <li>• funds partnerships and collaboration with organisations</li> </ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"> <li>• supports community members to participate in looking after the environment</li> </ul>

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

The activity as a whole provides a vehicle to service social needs and

enhance our natural and cultural heritage at both a district and local level. It does this by fostering relationships and partnerships with external and internal parties that are able to best service these needs.

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

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

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

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

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

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

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

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

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

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

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

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

Both components of the activity benefit groups of individuals who participate in the programmes offered by organisations that receive funding from the Council. The services are intended to add value to the district community as a whole by enhancing the skill base and wellbeing of individuals within the District.

Organisations that are provided funding through this activity for projects

or through subscriptions benefit directly, but often their work benefits broader communities. While the Council could potentially identify the immediate users of these services, the broader beneficiaries are not able to be individually identified and it makes no sense to charge directly for a grant normally justified by an absence of ability to generate funds autonomously. Individual organisations may also benefit through the remission of rates where provided for in legislation, or in the Council's rates remission policy.

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

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

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

This activity is largely undertaken to meet a community need, particularly amongst those with limited means or opportunities to make progress without assistance. The Council does not consider that there is a direct relationship between the value of a property and the level of benefit received and/or need exacerbated.

#### **What are the costs and benefits of funding this activity separately**

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

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

External funds are available from time to time from central government agencies. However, funding from this source cannot be anticipated in advance.

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

#### **How is the activity funded in the 2021-2031 Long Term Plan?**

**Operating expenditure** is funded as shown:

	District	Local
<b>Rates</b>		
Uniform Annual General Charge - District	High	
Local works and services targeted rate – Fixed Charge		High

The district grants and remissions component of this activity that funds district-wide programmes for social development is funded by the UAGC. This recognises the broader benefits to the District and all rateable properties.

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

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



## Property activity

### What we do

Council owns a wide range of land and buildings which require careful management for the benefit of current and future generations. This activity funds the maintenance and renewal of our administration buildings and a range of buildings and property available for lease by community and commercial organisations. Community buildings include assets such as libraries and halls. It also includes the management of Council's vehicle fleet.

This activity is responsible for ensuring that Council's buildings are safe for public and private use and meet legal building code requirements. The portfolio of land and buildings is regularly reviewed to determine whether it is fit for purpose.

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

Council Outcome	The Property activity...
<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"> <li>maintains safe buildings</li> <li>provides income for maintaining assets that reduce rate burden on the community</li> </ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"> <li>manages assets that enhance community wellness and connectiveness such as libraries and halls</li> </ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"> <li>Ensures community groups that might otherwise not be supported can continue to contribute to community wellbeing.</li> </ul>

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

This activity provides benefits to the district by ensuring that the district's property assets are responsibly managed and maintained, and that Council's investment in property is protected into the future.

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

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

Parts of the community do receive benefits from the use of some of Council's property assets as the activity is responsible for managing the lease arrangements of the assets to community groups and organisations. For example, Council leases property to community groups at a minimal annual rental charge.

The benefits for the use of the assets by the community is reflected in the Community Spaces and Development activities. The Property Activity is responsible for the provision and maintenance of Council's property assets rather than the use of the assets, therefore the overall benefits are to the community as a whole.

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

Individuals may receive benefits from the use of some of Council's property assets and the activity is responsible for managing the lease arrangements of the assets to some individuals. However, the benefits of the use of the assets is reflected in the Community Spaces and



Development activities. The Property Activity is responsible for the provision and maintenance of Council's property assets rather than the use of the assets, therefore the overall benefits are to the community as a whole.

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

The benefits of this activity are short to long-term as this activity provides property assets from the Council's vehicle fleet through to administration buildings and community facilities for the benefit of current and future generations. Benefits are provided through the management and maintenance of Council's property portfolio investment.

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

The need for this activity is not driven to any significant degree by the actions or inactions of particular individuals or groups. Rather, it is driven by the overall need to provide assets and facilities in order for Council to carry out its other activities. Therefore all members of the District are considered to receive a benefit from the property activity including future users of Council services and those who undertake or demand further development in the District, thereby increasing the demand for provision of the service and any related assets.

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

There is no benefit from funding this activity separately from other District funded activities funded from general rate other than the return received from the lease of some of Council's facilities. The rating mechanism used to collect funding for this activity is amalgamated with other district activities to reduce collection costs.

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

Council charges rents to community groups and commercial organisations leasing Council's property assets by way of leases and license to occupy agreements.

**How is the activity funded in the 2021-2031 Long Term Plan?**

**Operating expenditure** is funded as shown:

	District
Fees and charges	Low

Rates	
Uniform Annual General Charge - District	High

This activity is funded partly by the rents received on the assets leased through Council's leases and licence to occupy policy. The majority of funding comes from the UAGC. Council considers that this activity benefits the district community as a whole by ensuring Council's property assets are maintained and the investment in property is protected for current and future generations. Funding through the UAGC reflects that there is district-wide benefit and that all ratepayers benefit equally from Council's property portfolio.

**Capital expenditure** for the **property** activity is funded as shown:

	ILOS	Renewal	AC
General rate	No	No	No
Uniform Annual General Charge (investment income subsidy)	Yes	Yes	No
Targeted rate	No	No	No
Lump sum contributions	No	No	No
Fees and charges	No	No	No
Borrowing	Yes	Yes	Yes
Asset sales	Yes	Yes	No
Development contributions	No	No	Yes
Financial contributions	No	No	No
Grants and subsidies	Yes	Yes	No
Depreciation reserves	No	Yes	No
Other reserves	Yes	Yes	No

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

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

Funding for capital expenditure by either the UAGC, general rate, targeted rates or fees and charges is based on the same rationale as that for operational expenditure and funds the repayment of debt.

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



## District Plan activity

### What we do

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

The Resource Management Act 1991 requires the Council to have a District Plan. Council is currently operating under two District Plans. The operative District Plan came into effect in 2010. The District Plan is reviewed every 10 years and the current District Plan review has been underway since 2012. We now have a proposed District Plan, which had 72 appeals lodged against it. Most of these appeals have been settled with only a few outstanding issues. It will become fully operative once these challenges are resolved.

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

Council Outcome	The District Plan activity...
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<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"> <li>provides a clear planning framework to guide future development</li> <li>supports a choice of lifestyle opportunities</li> <li>provides for economic and population growth that is socially and economically sustainable</li> </ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"> <li>balances environmental protection with accessibility</li> <li>provides a forum for the community to influence and advocate for their values</li> </ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"> <li>respects and nurtures a local sense of place and promoting and valuing the district's historical and cultural heritage</li> <li>ensures future development fits sensitively within the Coromandel's unique landscape and coastal environment</li> </ul>

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

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

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

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

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

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

Sometimes a developer may wish to undertake an activity that is not permitted under the existing District Plan and they therefore seek to alter the Plan to make provision for this activity. This becomes a privately initiated change to the District Plan and may involve significant cost to the Council (eg cost of advertising, cost for preparing a planner's report,

cost for a hearing, etc.). In these circumstances, the Council recovers 'actual and reasonable' costs from the applicant.

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

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

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

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

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

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

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

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

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

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

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

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

#### **How is the activity funded in the 2021-2031 Long Term Plan?**

**Operating expenditure** is funded as shown:

	District
<b>Rates</b>	
Uniform Annual General Charge - District	High

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

The above funding arrangement excludes any privately initiated District Plan changes.

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



## Economic Development activity

### What we do

The economic development activity focuses on promoting economic growth throughout the district by connecting stakeholders (business, industry, iwi and Council) and facilitating access to Council services. Council helps to facilitate local infrastructure developments and improvements, such as broadband and development investigations, i.e. land use reports/strategy, land use identification. Council also focuses on identifying local inhibitors that impact on development, growth and coordination and work with external parties to resolve impediments. This activity provides a communication function to a wide range of stakeholders.

Two activity components have been identified which reflect the different focus of and decision-makers for the different services:

1. The promotion of initiatives to provide benefits across the District. This component includes the funding of Destination Coromandel, i-sites and information centres
2. The promotion of economic growth and events throughout the district by connecting stakeholders and facilitating access to Council services.

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

Council Outcome	The Economic Development activity...
<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"> <li>• enables the Coromandel Peninsula to become a preferred area in which to live, work, raise a family and enjoy a safe and satisfying life by promoting sustainable economic development</li> <li>• focuses funds on interventions that have a proven benefit to the District</li> </ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"> <li>• facilitates the provision of infrastructure to help new industries establish and create opportunities and jobs</li> </ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"> <li>• encourages sustainable economic growth in sectors that draw on, but do not compromise, our unique natural environment including tourism and aquaculture</li> </ul>

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

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

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

Council considers that its economic development services support the overall economic health of the district and in turn creates a liveable district. Promotion of the district by way of other events of a social or sporting nature can bring benefits not only to business but also to non-profit organisations whose goals are centred more on social activity and

the wider population generally.

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

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

The economic development services are considered to benefit, in part, businesses as a group. Businesses contribute financially to this activity by paying the economic development targeted rate. There is a spin-off for the public generally, and other groups, if a specific business is available in their town which would not be there were it not for Economic Development services. This is reflected in the UAGC funding for this activity.

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

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

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

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

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

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

There would be no benefit in funding this activity separately from other activities for any UAGC or targeted rate (Local works and services)

components except that the funding for these would be easier to distinguish from other activities. There would, however, be an increased cost in collecting them separately. The rating mechanisms used to collect these will therefore be amalgamated with other activities to reduce collection costs.

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

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

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

**How is the activity funded in the 2021-2031 Long Term Plan?**

**Operating expenditure** is funded as shown:

	District
Fees and charges	Low
<b>Rates</b>	
Uniform Annual General Charge - District	Medium
Targeted Rate - Value of improvements on industrial/commercial properties (economic development rate)	Medium

This activity is partly funded by a targeted rate on the value of improvements on commercial and industrial properties to reflect the direct benefit that businesses receive from the activity. Fees and charges in the form of advertising in the Our Coromandel magazine are charged where appropriate. The remainder of the funding for this activity is from the UAGC, recognising the benefits to the District as a whole.

**Capital expenditure** is funded as shown:

	ILOS	Renewal	AC
General rate	No	No	No

Uniform Annual General Charge (investment income subsidy)	Yes	Yes	No
Targeted rate	No	No	No
Lump sum contributions	No	No	No
Fees and charges	No	No	No
Borrowing	Yes	Yes	Yes
Asset sales	Yes	Yes	No
Development contributions	No	No	Yes
Financial contributions	No	No	No
Grants and subsidies	Yes	Yes	No
Depreciation reserves	No	Yes	No
Other reserves	Yes	Yes	No

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

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

development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth is occurring.

Funding for capital expenditure by either the UAGC, general rate, targeted rates or fees and charges is based on the same rationale as that for operational expenditure and funds the repayment of debt.

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



## Planning & Regulation group of activities

This activity group contains the following activities:

- Resource Consents
- Building Control



### Resource Consents activity

#### What we do

As the key land use consent authority in the district, Council processes resource consents as provided for in the Resource Management Act and seeks to achieve good environmental outcomes promoting sustainable management of natural and physical resources, consistent with the policies approved in the District Plan. Statutory timeframes for the processing of resource consents are reflected in our levels of service for this activity.

Two distinct activity components have been identified which reflect the different beneficiaries of the different services:

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

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

Council	The Resource Consent activity...
<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"><li>• provides consistent decision-making on development proposals which support economic growth of the District and creating opportunities</li><li>• Promotes and supports a local sense of place (town centres, heritage and special environment protection, urban form)</li></ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"><li>• implements and supports appropriate land use management and the provision of essential infrastructure</li><li>• balances environmental protection with accessibility</li><li>• specifically provides for an iwi worldview</li></ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"><li>• helps promote and protect the district's historical and cultural heritage</li><li>• protects environmentally sensitive environments from inappropriate development</li><li>• ensures future development fits sensitively within the Coromandel's unique landscape and coastal environment</li></ul>

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

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

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

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

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

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

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

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

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

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

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

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

The need to undertake this activity is driven by individuals across the District who wish to carry out development work or provide a demand for control on the works of others. Those who are considered to contribute to the need for the Council to carry out this activity include:

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

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

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

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

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

The Resource Management Act 1991 allows local authorities to impose



charges for carrying out the functions specified under it. The Council therefore will endeavour to recover the cost of processing applications from the applicant.

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

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

### How is the activity funded in the 2021-2031 Long Term Plan?

**Operating expenditure** is funded as shown:

	Consents	Monitoring and Enforcement RMA Appeals
	District	District
Fees and charges	High	Low
<b>Rates</b>		
Uniform Annual General Charge - District	Low	High

For the consents component of this activity, fees and charges are obtained from developers, who benefit from the consent to develop their property. The UAGC reflects that the general public also benefit from ensuring that developments are in keeping with the overall intent of the District Plan.

For the Monitoring, Enforcement and RMA appeals component, funding from fees and charges are low, reflecting the limited opportunity to recover costs from those whose non-compliance requires enforcement action, or from appeals that involve high legal costs. A medium/high UAGC reflects that the public in general benefits from developments that are in keeping with the overall intent of the District Plan.

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



## Building Control activity

### What we do

Council is required by law to carry out building control activities both as a territorial authority and a building consent authority. The Council has been an accredited building consent authority since mid-2008.

There are two distinct components to the building control activity:

- Building Consenting for processing, inspecting and certifying building work
- Building Enforcement to ensure compliance with legislation and related requirements.

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

Three activity components have been identified:

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

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

Council Outcome

The Building Control activity...

<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"> <li>• provides a process to ensure that buildings are safe.</li> <li>• ensures high standards of public health and housing quality</li> <li>• contributes to a safe living environment through the application of regulation and provision of information</li> </ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"> <li>• supports the provision of essential infrastructure</li> </ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"> <li>• contributes to keeping our environment safe and clean</li> </ul>

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

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

#### Building Consenting

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

#### Building enforcement

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

#### Land information memoranda

The benefits of this activity component are primarily obtained by individual applicants. However, there is some benefit to the wider district community in that purchasers of land information memoranda receive information on District Plan zoning and land use restrictions which exist to avoid and mitigate inappropriate use of land that may adversely affect people and the environment.

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

#### Building consenting

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

#### Building enforcement

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

#### Land information memoranda

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

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

#### Building consenting

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

#### Building enforcement

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

#### Land information memoranda

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

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

#### Building consenting

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

#### Building enforcement

As above.

### **Land information memoranda**

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

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

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

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

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

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

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

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

The Building Act 2004 gives Council the authority to recover actual and

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

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

### **How is the activity funded in the 2021-2031 Long Term Plan?**

**Operating expenditure** is funded as shown:

	Consents and Inspections	Monitoring and Enforcemet	LIMs
	District	District	District
Fees and charges	High	Low	High
<b>Rates</b>			
General rate - land value - District		Medium	
Uniform Annual General Charge - District	Low	Medium	
Targeted rate - capital value - District	Low		

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

Fees and charges that can be expected for building enforcement are in the low range as there are limited opportunities to recover costs from offenders. Funding from UAGC in the medium range reflects the public

good to the district overall from ensuring unsafe buildings are made safe. The portion funded by district rates based on land value recognises that there are affordability issues for some sectors of the community.

The LIM component is considered to primarily benefit the individual who applies for the LIM. Therefore, it is considered fairest to fully fund this from user fees and charges. However, the cost of administering this activity has risen and user fees and charges no longer completely fund this activity.

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



## Protection of People & the Environment group of activities

This activity group contains the following activities:

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



### Community Health & Safety activity

#### What we do

This activity provides a range of services to ensure our communities are clean, safe and healthy places to live. This includes minimising public nuisances and offensive behaviour as well as helping ensure public places are safe. Key services include animal control, alcohol control, health licensing and bylaws enforcement.

There are four components to the Community Health and Safety activity:

Community regulations for the

- application of bylaws
- health licensing, monitoring and enforcement which administers public health legislation
- Alcohol control for the regulation of suppliers of alcohol and alcohol ban areas; and
- Animal control which ensures animals are not a danger to the public

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

Council Outcome	The activity...
<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"><li>• maintains community values through application of bylaws.</li><li>• limits behaviours that negatively affect the community, therefore enabling community enjoyment of public spaces</li><li>• contributes to making the Coromandel Peninsula and attractive place to do business</li></ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"><li>• supports the community to network and connect in safe environment</li></ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"><li>• Contributes to keeping our urban and natural environments safe and clean</li></ul>

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

### Community regulations

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

### Health licensing - licensing, and monitoring and enforcement

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

### Alcohol control

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

### Animal control

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

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

### Community regulations

There are a number of bylaws that are established by Council to control various issues. In general, the Council's bylaws benefit the whole district.

### Health licensing - licensing, and monitoring & enforcement

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

### Alcohol control

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

### Animal Control

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

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

### Community regulations

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

### Health licensing - licensing, and monitoring & enforcement

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

### Alcohol control

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

Alcohol bans also benefit individuals who do not wish to be involved with

persons drinking excessively in public places but it is not possible to identify and charge these individuals.

### **Animal control**

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

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

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

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

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

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

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

This activity exists primarily because of the need to ensure that community health, safety and comfort are not adversely affected by the behaviours or negligence of others. The need to undertake it is

therefore driven almost entirely by those whose actions or inactions require regulating and those generating a demand for the maintenance of community standards.

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

- those members of the public who wish to operate a business in the district that requires licensing;
- members of the public who wish to own a dog
- all members of the public who do not comply with relevant regulations or bylaws, obliging the Council to take enforcement action
- those members of the public who request Council action in relation to perceived breaches of regulations or bylaws;
- those who undertake or demand further development in the district, thereby increasing the demand for provision of the service and any related assets.

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

There would be no benefit in funding this activity separately from other activities for any UAGC or general rate components except that the funding for these would be easier to distinguish from other activities.

There would however be an increased cost in collecting them separately. The rating mechanisms used to collect these will therefore be amalgamated with other activities to reduce these costs of collection.

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

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

#### **Community regulations**

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

#### **Health licensing - licensing, and monitoring and enforcement**

Funding for this component is allocated differently for licensing from monitoring and enforcement. There are no external sources of funds but, for licensing, Council is able to impose direct charges on the licensees within the parameters set out in the legislation. However,

because of the statutory limitations, full cost recovery is not possible. For monitoring and enforcement, it is simply not practicable to recover the majority of costs incurred in obtaining compliance and taking appropriate enforcement action.

### Alcohol control

No external sources of funds are available, but user charges can be applied to licences.

### Animal control

Impounding fees and infringement fees can be charged for offences where the offender can be identified. These fees are minimal. User fees are imposed for dog registration on the resident owners of dogs.

### How is the activity funded in the 2021-2031 Long Term Plan?

Operating expenditure is funded as shown:

	Community Regulations	Health Licensing	Health Licensing - Monitoring and Enforcement	Alcohol Control	Animal Control
	District	District	District	District	District
Fees and Charges	Medium	Medium		Medium	High
<b>Rates</b>					
Uniform Annual General Charge - District	Medium	Medium	High	Medium	Low

For all components of this activity, fees and charges are recovered where possible. It is easy to identify and charge licensees. However, attempting to recover costs from offenders or perpetrators of nuisances is simply not practicable. The remaining components are funded by UAGC as it is considered that the whole community benefits from these activities.

The Community Health and Safety activity does not have any capital expenditure.



## Coastal and Hazard Management activity

### What we do

This activity plans for the avoidance and, management of the impact of natural hazards across the whole of the Coromandel Peninsula with a particular focus on coastal settlements. Coastal hazards include coastal inundation (flooding), tsunamis, storm surges, king tides, coastal erosion, and sea level rise.

The Council's Coastal Management Strategy has identified a suite of projects, including community based resilience planning, coastal hazard response planning and a Shoreline Management Plan, to help to identify and respond to coastal hazards in the future, including those related to the anticipated effects of climate change.

Two distinct activity components have been identified which reflect the different geographical focus of the different services:

1. Coastal and Hazards management (district-wide) – In the 2018-2028 Long Term Plan the Council budgeted \$2.6 million across the first three years for coastal hazard investigation work and implementation of the Coastal Management Strategy. This work includes community-based resilience planning, coastal hazard response planning and a Shoreline Management Plan. This work is due to be completed in 2022. The outcomes of this work have not yet been determined and therefore are not fully included in this Long Term Plan. They will however have implications for the next Long Term Plan.
2. Moanataiari special project (targeted rate) – This project provided a stop bank and dedicated pumping station in order to directly protect the properties of Moanataiari from flooding and sea level rise. A targeted rate is applied to those properties that benefit from the infrastructure in order to repay the loan.

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

Council

The Coastal and Hazard Management activity...



<p><b>A vibrant district</b>  <b>He takiwā hihiri</b></p>	<ul style="list-style-type: none"> <li>• promotes development of a safe living environment through management of hazards</li> <li>• through hazard identification, responses, mitigation and information, helps to provide certainty for development of commercial and residential properties</li> </ul>
<p><b>A connected district</b>  <b>He takiwā tuia</b></p>	<ul style="list-style-type: none"> <li>• identifies and provides for mitigation of risks to infrastructure</li> <li>• ensures that there is adequate planning and future investment to avoid natural hazards</li> </ul>
<p><b>A sustainable district</b>  <b>He takiwā toitū</b></p>	<ul style="list-style-type: none"> <li>• helps protect the urban environment from natural hazards</li> </ul>

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

The district-wide benefits currently hinge around the need for the District to be a safe and attractive place to live, work and play. Amongst other things, a district where hazards are well-managed will be more attractive to people considering coming to the district. The district as a whole benefits from the management of risk to people, property and the physical environment. It is also noted that many public assets such as reserves and infrastructure are located in areas identified as containing hazards.

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

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

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

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

the risk to each individual, however, the benefit accrues in aggregate to the wider district.

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

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

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

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

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

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

Future funding of the Coastal Hazards Management Activity is undefined beyond 2022. The outcomes of the Shoreline Management Plan will determine if there are benefits for funding implementation separately from other activities. Until this work is completed, the Long Term Plan continues to fund the overall Hazard Management activity as part of other activities in order to minimise collection costs.

On the other hand, it is beneficial to continue to collect the targeted rate (fixed charge, area of service) separately for the funding of the capital expenditure for the Moanataiari special project as this enables the Council to obtain funding only from those ratepayers in the very specific geographical locations affected.

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

While there is usually no direct contribution from external sources to the

hazard management activity, considerable non-financial benefit is derived from other public sector agency budgets, particularly Waikato Regional Council and crown research institutes NIWA (National Institute of Water and Atmospheric Research) and GNS Science.

Sometimes there are opportunities to seek central government or other agency funding in relation to this activity. For example, following an event of the magnitude that causes a civil defence emergency, but this is not included in the funding allocation for this activity as it cannot be anticipated. Other external funding is provided for in the Emergency Management Activity which covers recovery from events.

### How is the activity funded in the 2021-2031 Long Term Plan?

**Operating expenditure** is funded as shown:

	Coastal and Hazards Management	Moanataiari Special Project (funds loan servicing for)
	District	Area of Service
<b>Rates</b>		
General Rate - Land Value - District	Low	
Uniform Annual General Charge - District	High	
Targeted Rate - Fixed Charge - Area of Service		High

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

Operating expenditure to service loans for special projects is funded differently to reflect the particular circumstances they are addressing.

Funding mechanisms for the Moanataiari Project were fixed by agreement during the development of the project and cannot now be changed.

**Capital expenditure** is funded as shown:

	ILOS	Renewal	AC
General rate	Yes	Yes	No
Uniform Annual General Charge (investment income subsidy)	Yes	Yes	No
Targeted rate	Yes	No	No
Lump sum contributions	Yes	No	No
Fees and charges	No	No	No
Borrowing	Yes	Yes	Yes
Asset sales	Yes	Yes	No
Development contributions	No	No	Yes
Financial contributions	No	No	No
Grants and subsidies	Yes	Yes	No
Depreciation reserves	No	Yes	No
Other reserves	Yes	Yes	No

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

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

Funding for capital expenditure by either the UAGC, general rate, targeted rates or fees and charges is based on the same rationale as that for operational expenditure and funds the repayment of debt.

Use of depreciation reserves reflects the inevitable deterioration of

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



## Emergency Management activity

### What we do

The Emergency Management activity focuses on communities being ready for, responding to and recovering from emergencies when they do happen. Work is undertaken through the Emergency Operating Centre (EOC). The EOC undertakes various training exercises and programmes throughout the year to ensure staff are always ready and prepared to handle civil defence emergencies should they arise. This activity also includes undertaking community response plans in consultation with local communities and agencies at a settlement level to help create prepared and resilient communities.

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

Council Outcome	The Emergency Management activity...
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<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"> <li>• contributes to planning for the future to identify community resilience</li> <li>• promotes development of a safe living environment through local emergency education, response and recovery plans</li> <li>• supports the community in developing a local sense of place through local emergency response and recovery plans</li> </ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"> <li>• coordinates activities during and after a disaster to provide essential infrastructure services needed to support the community</li> <li>• network with other essential infrastructure suppliers to enable effective community response and recovery during and following emergency events</li> </ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"> <li>• helps protect rural natural ecosystems from fire</li> </ul>

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

The activity provides benefits to the district community as a whole particularly in respect of the civil defence operation. Civil defence emergencies can be declared over the whole district or part of the district depending on circumstances. The provision of emergency services can be seen to be in the nature of an insurance policy. Everyone in the district contributes to the "premium" but an emergency may affect just a few people.

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

Identifiable parts of the community benefit when a localised emergency event occurs within that community. However, it is mostly not practical to identify and charge the beneficiaries for the costs of this service.

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

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

these services.

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

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

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

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

- those who, through their actions or inactions, cause civil defence emergencies, e.g. a significant hazardous substance spillage (but this would be an unusual situation)
- those who trigger a rural fire, either through poor fire safety practices or deliberate setting of a fire. Council is not responsible for managing a rural fire, however a response to assist would be provided if requested by Fire and Emergency New Zealand (FENZ)
- those who seek to restore their homes, businesses and psychosocial needs following an emergency
- future users of the service who will benefit from existing assets
- those who undertake or demand further development in the District, thereby increasing the demand for the service and related assets.

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

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

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

Some subsidies and assistance are received from time to time from

FENZ and National Emergency Management Agency (NEMA), however these cannot be anticipated in advance. User fees are charged to anyone able to be identified as causing or contributing to rural fires. Revenue from this latter source is negligible.

**How is the activity funded in the 2021-2031 Long Term Plan?**

Operating expenditure is funded as shown:

District	
<b>Rates</b>	
Uniform Annual General Charge - District	High

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

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

Capital expenditure is funded as shown:

	ILOS	Renewal	AC
General rate	No	No	No
Uniform Annual General Charge (investment income subsidy)	Yes	Yes	No
Targeted rate	No	No	No

Lump sum contributions	No	No	No
Fees and charges	No	No	No
Borrowing	Yes	Yes	No
Asset sales	No	No	No
Development contributions	No	No	No
Financial contributions	No	No	No
Grants and subsidies	Yes	No	No
Depreciation reserves	No	Yes	No
Other reserves	Yes	Yes	No

new development commencing in the Long Term Plan period and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth is occurring.

Funding for capital expenditure by either the UAGC, general rate, targeted rates or fees and charges is based on the same rationale as that for operational expenditure and funds the repayment of debt.

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

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

Capital expenditure for additional capacity can provide benefits for both



## Community Spaces and Development group of activities

This activity group contains the following activities:

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



### Community Spaces and Development activities

#### What we do

The community spaces and development activity supports local communities through the provision of a variety of indoor and outdoor spaces and facilities. Community Boards have input over levels of service, although consistency and economy is provided by district wide activity management. Not all community facilities are provided in every Community Board area.

The following table shows the sub-activities for each of the five community spaces and development activities

Activity	Thames	Coromandel-Colville	Mercury Bay	Tairua-Pauanui	Whangamata
<b>Airfields</b>	✓			✓	
<b>Cemeteries</b>	✓	✓	✓	✓	✓
<b>Community Centres and Halls</b>	✓	✓	✓	✓	✓
<b>Public Conveniences</b>	✓	✓	✓	✓	✓
<b>Harbour Facilities</b>	✓	✓	✓	✓	✓
<b>Libraries</b>	✓		✓	✓	
<b>Parks and Reserves</b>	✓	✓	✓	✓	✓
<b>Swimming Pool</b>	✓				

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

The services are considered to collectively contribute to the Council

outcomes as follows:

Council Outcome	The Community Spaces and Development Activity...
<b>A vibrant district He takiwā hihiri</b>	<ul style="list-style-type: none"> <li>contributes to respecting and nurturing a local sense of place</li> <li>contributes to providing infrastructure to help build healthy communities</li> </ul>
<b>A connected district He takiwā tuia</b>	<ul style="list-style-type: none"> <li>contributes to supporting a range of recreation and leisure opportunities</li> <li>promoting and valuing the district's historical and cultural heritage</li> </ul>
<b>A sustainable district He takiwā toitū</b>	<ul style="list-style-type: none"> <li>contributes to maximizing economic opportunities from the Peninsula's natural setting</li> </ul>

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

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

Exceptions include:

- public conveniences which benefit visitors and tourists from outside the district and from other parts of the district, as well as communities benefitting from the environmental protection afforded by proper management of wastes.

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

As above, these activities are intended to primarily benefit local communities within which the services are based. Beneficiaries may include the following communities:

- local communities (CBAs) which use opportunities to access air transport
- local communities (CBAs) which receive financial benefits of air-based tourism activity

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

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

Benefits of these activities are potentially received by the following individuals:

- airfield clubs and groups
- users of air services

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

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

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

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

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

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

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

Those who are considered to contribute to the need for

Council to carry out these activities include:

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

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

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

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

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



Some user charges can be collected via:

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

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

#### How is the activity to be funded in the 2021-2031 Long Term Plan?

**Operating expenditure** for these activities (covering all services) is funded as shown:

	Local
Fees and charges	Low
<b>Rates</b>	
Local works & services targeted rate – Land value	Medium
Local works and services targeted rate – Fixed	Medium

Council has adopted a general principle that these activities will be locally funded where direct users cannot be identified and charged. In

addition, Council considers that the benefits received by local communities are greater than those received by the district.

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

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

**Capital expenditure** is funded as shown:

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

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

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

development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth is occurring.

Funding for capital expenditure by either the UAGC, general rate, targeted rates or fees and charges is based on the same rationale as that for operational expenditure and funds the repayment of debt.

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



## Roads and Footpaths group of activities

This activity group contains the **Roads and Footpaths** activity.

### What we do

The primary purpose of the roads and footpaths activity is to provide for safe, efficient and comfortable movement of people and freight within the district. The roads and footpaths activity group provides for the planning, provision, development, operations and maintenance of a district land transportation network as well as local facilities, footpaths, service lanes, street lighting, bridges and car parks.

This activity excludes the management of state highways. State highways are managed by Waka Kotahi.

This activity group has only one activity, however there are two components to the activity; District Transportation and Local Transportation.

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

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

Council Outcome	The Roads and Footpaths activity...
<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"> <li>provides infrastructure to help build thriving communities</li> <li>supports a range of lifestyle, leisure and recreation opportunities</li> <li>provides infrastructure to support our rural economy</li> <li>supports access to local businesses and tourism activities by visitors and residents</li> </ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"> <li>allows access around the Peninsula and between communities</li> </ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"> <li>helps balance environmental protection with accessibility</li> <li>supports the development of town centres as the heart of the community and the hubs for business</li> </ul>

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

#### District component

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

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

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

#### **Local component**

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

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

##### **District component**

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

##### **Local component**

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

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

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

##### **District component**

All individuals benefit from the roading network, although some more than

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

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

#### **Local component**

There are benefits to individuals in most of the services provided within this activity. The use of footpaths, sealed dead-end streets, signage and street lighting is all enjoyed by individuals. However, because the activity provides overall benefits to the whole community, it is not practical to identify all the individual beneficiaries and recover costs on that basis.

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

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

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

##### **District component**

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

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

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

However, Council also considers that many of the local exacerbators of this activity component are outside of the local community's control for

example, the topography and stability of land on and around which road networks are formed and maintained.

**Local component**

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

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

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

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

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

**District component**

Waka Kotahi provides substantial funding for the transportation activity, in particular the roading network, by way of subsidy. Waka Kotahi's funding share, the financial assistance rate (FAR), is currently at 51% for the maintenance, operations and renewals programme. The District's community funds the balance of the budget costs through its local rates share. Exceptions to this base FAR include Road Safety Promotion which is funded at 54%. From time to time Waka Kotahi will announce funding streams at varying FAR rates, such as the previous LED street lighting programme, or the improvements of signing of cycleways at 100%.

An additional exception to the base FAR is emergency works that exceed a cumulative annual total of 10% of the maintenance, operations and renewals programme. Costs up to this figure will be funded at base FAR. Any costs incurred over this threshold will have an additional 20% FAR

applied (i.e. the June 2018 storm attracted the additional 20% uplift as did the September 2019 storm event).

This currently varies between 51% and 71% depending on the type of work being carried out. In times of excessive maintenance and repair because of storm damage the subsidy may go up to 71%.

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

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

In this LTP, Council is considering charging a user fee for parking in its CBD areas. Implementing parking fees and charges will be part of the consultation on the LTP.

**Local component**

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

**How is the activity funded in the 2021-2031 Long Term Plan?**

**Operating expenditure** is funded as shown:

	District	Local
Grants and Subsidies	Low	
<b>Rates</b>		

General Rate - Land Value - District	Low	
Uniform Annual General Charge - District	Low	
Targeted Rate - Capital Value – District	Medium	
Local works & services targeted rate – Land value		Low
Local works and services targeted rate – Fixed Charge		High

### District component

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

### Local component

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

**Capital expenditure** is funded as shown:

### District component:

	ILOS	Renewal	AC
General rate	Yes	Yes	No
Uniform Annual General Charge (investment income subsidy)	Yes	Yes	No

Targeted rate	Yes	Yes	No
Lump sum contributions	No	No	No
Fees and charges	Yes	Yes	No
Borrowing	Yes	Yes	Yes
Asset sales	Yes	Yes	No
Development contributions	No	No	Yes
Financial contributions	No	No	No
Grants and subsidies	Yes	Yes	No
Depreciation reserves	No	Yes	No
Other reserves	Yes	Yes	No

### Local component:

	ILOS	Renewal	AC
General rate	No	No	No
Uniform Annual General Charge (investment income subsidy)	No	No	No
Targeted rate	Yes	Yes	No
Lump sum contributions	No	No	No
Fees and charges	No	No	No
Borrowing	Yes	Yes	Yes
Asset sales	Yes	Yes	No
Development contributions	No	No	Yes
Financial contributions	No	No	No
Grants and subsidies	Yes	Yes	No
Depreciation reserves	No	Yes	No
Other reserves	Yes	Yes	No

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

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Long Term Plan period, and future development commencing after the 10-year period of the plan. The Council considers it appropriate to recover the costs associated

with this expenditure over the time period in which the growth is occurring.

Funding for capital expenditure by either the UAGC, general rate, targeted rates or fees and charges is based on the same rationale as that for operational expenditure and funds the repayment of debt.

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



## Solid Waste group of activities

This activity group contains the **Rubbish and Recycling** activity.

### What we do

The rubbish and recycling activity provides for waste to be properly disposed of to protect public health and the environment. The activity also promotes recycling, reuse and resource recovery with the objectives of reducing the amount of waste going to landfill and practising responsible resource efficiency. In addition to weekly kerbside refuse and fortnightly recyclables collection services, the Council manages closed landfill sites and operates transfer stations where waste and recycling can be dropped off. The Council also actively supports reuse centres managed by Trusts including the Seagull Centre in Thames, and a reuse centre in Coromandel.

The Council is required to have a Waste Management and Minimisation Plan (WMMP) which we have created in collaboration with the neighbouring Hauraki and Matamata-Piako District Councils. The WMMP sets goals and actions to improve outcomes for rubbish and recycling in the district. A shared contract held by the three councils endeavours to deliver cost efficiencies to all our ratepayers.

Five activity components have been identified:

1. Community litter
2. Monitoring and maintenance of closed landfills
3. Rubbish and recycling collection and disposal
4. Refuse transfer station operation and management
5. Waste minimisation promotion

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

Council Outcome	The Rubbish and Recycling activity...
<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"> <li>• Provides effective waste management services, thereby contributing to a safe and healthy living environment</li> <li>• Ensures high standards of public health</li> <li>• Encourages community responsibility through waste minimization education</li> <li>• The business, tourism and retail sectors are all supported both through effective direct service provision, and services for visitors such as drop-off sites and public place recycling</li> </ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"> <li>• Supports communities through both direct service and a network of drop-off facilities</li> </ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"> <li>• Helps protect our unique environment and natural ecosystems by enabling good waste management and minimization and ensuring disposal of waste in ways that minimises harm</li> <li>• Manages the impact on the environment of closed landfills</li> </ul>

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



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

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

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

The operation of transfer stations benefits the communities in which they operate making it easier for those communities, and people passing through those communities to dispose of refuse and enhance their own local environment.

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

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

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

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

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

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

Most individuals living in or visiting the district contribute to the need for this activity, primarily by producing waste that requires disposal, but

also in creating a demand for sound waste management practices. Those who are considered to contribute to the need for Council to carry out this activity include:

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

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

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

This activity is funded partially by a targeted rate to the area of service. This enables Council to collect funding only from those properties specifically receiving the service. It is also more convenient and practical to collect fees and charges from users separately.

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

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

**How is the activity funded in the 2021-2031 Long Term Plan?**

Operating expenditure is funded as shown:

	Litter/Landfills	All Other
	District	District

Fees and Charges		Medium
<b>Rates</b>		
General Rate - Land Value - District	High	
Targeted Rate - Fixed Charge - Area of Service		Medium

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

The proportion of funding that can be collected from fees and charges for other aspects of the service is in the medium range. The balance is funded from a targeted rate on those who receive the service, as they can be identified.

Targeted rate	Yes	Yes	No
Lump sum contributions	No	No	No
Fees and charges	Yes	Yes	No
Borrowing	Yes	Yes	Yes
Asset sales	Yes	Yes	No
Development contributions	No	No	Yes
Financial contributions	No	No	No
Grants and subsidies	No	No	No
Depreciation reserves	No	Yes	No
Other reserves	Yes	Yes	No

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

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

Funding for capital expenditure by either the UAGC, general rate, targeted rates or fees and charges is based on the same rationale as that for operational expenditure and funds the repayment of debt.

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

**Capital expenditure** is funded as shown:

	ILOS	Renewal	AC
General rate	Yes	Yes	No
Uniform Annual General Charge (investment income subsidy)	No	No	No



## Stormwater group of activities

This activity group contains the

- **Stormwater** activity
- **Land Drainage** activity.

### What we do

The Stormwater activity includes managing stormwater as well as land drainage. Stormwater systems collect and dispose of stormwater to limit the effects of surface ponding. We have a number of stormwater systems throughout our district to manage runoff and reduce surface water ponding. This reduces risks to public health and safety, damage to property, and avoids dangerous road conditions. The stormwater system includes more than 200km (217km) of stormwater pipes, more than 3,000 manholes and 4 pump stations. Some parts of our network are older than others and require a more active maintenance programme. There are 23,928 properties accessing Council's stormwater system.

Stormwater is the consequence of heavy or sustained rainfall resulting in the need to manage the disposal of surface water. The Coromandel is particularly vulnerable to heavy rainfall due to its geography. Council is required to maintain its current stormwater schemes by law. The way in which schemes are managed and provided is also subject to legal requirements.

Two activity components have been identified which reflect the scope and beneficiaries of the different services:

1. Stormwater services
2. Land drainage services

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

Council Outcome	The Stormwater activity...
<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"><li>• provides infrastructure to help build safe and healthy communities by minimising risks due to stormwater and retaining a safe living environment</li><li>• supports the economy by helping to ensure uninterrupted operation of businesses and preventing of damage to property</li></ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"><li>• reduces the incidence of community connections being severed through flooding</li></ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"><li>• plays a critical part in keeping our environment safe and clean</li><li>• ensures that the urban environment is protected from damage through flooding</li></ul>

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

#### Stormwater component

The provision of adequate stormwater collection systems benefits the whole district in preventing ponding of rainwater and landslips, helping ensure the public's safety. Without appropriate stormwater management, people would not be able to move freely around the community to go about their normal business. The Stormwater activity is also necessary for protecting and maintaining access to dwellings and other buildings. The extensive stormwater collection services provided in high-use public areas

benefit the broader community, such as rural residents who visit or obtain goods or services from urban areas.

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

#### **Land Drainage component**

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

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

##### **Stormwater component**

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

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

#### **Land Drainage component**

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

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

##### **Stormwater component**

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

#### **Land Drainage component**

The primary beneficiaries are the owners of farms and properties that

receive assistance with drainage of their land.

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

##### **Stormwater component**

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

#### **Land Drainage component**

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

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

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

##### **Stormwater component**

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

Council considers that the local exacerbators noted above are often outside of a community's control. Those who are considered to directly contribute to the need for Council to carry out this activity include:

- all members of the community who build, install or use impermeable surfaces in urban areas
- those who create a demand for stormwater management to ensure access and safety in bad weather
- those who develop or use properties in upland urban areas causing increased run off to accumulate in low lying areas
- future users of the service who will benefit from existing assets
- those who undertake or demand further development in the District, thereby increasing the demand for the service and related assets.

While urbanisation exacerbates the effects of these natural factors by altering the natural flow of water while impermeable surfaces (for example, roofs, parking areas, roads generate more run-off than would

naturally occur), this should be done in accordance with the district land use policies which are set with broader district benefits in mind. The Council considers that sustaining these urban communities provides benefits to both urban and rural ratepayers.

**Land drainage component**

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

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

**Stormwater component**

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

It would also be beneficial to collect targeted rates (area of service) separately as this would allow Council to collect funding only from the specific areas that most benefit from the service.

**Land drainage component**

There would be no benefit in funding any targeted rate (land value - board) component for this activity separately from other activities except that the funding would be easier to distinguish from those others. There would however be an increased cost in collecting it separately. The actual rating mechanisms used will be amalgamated with other activities to reduce collection costs.

It would be beneficial to collect any targeted rate (area of service) separately as this ensures only ratepayers from the specific properties that primarily benefit from the service contribute.

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

**Stormwater component**

There are no external sources of funds to assist with funding this activity. User charges cannot be imposed because of the difficulty of identifying those who either contribute to the cause of the problem or who benefit directly.

**Land drainage component**

There are no external sources of funds available for this activity. No direct user fees or charges are imposed.

**How is the activity funded in the 2021-2031 Long Term Plan?**

**Operating expenditure** is funded as shown:

	Stormwater	Land Drainage Component
	District	District
<b>Rates</b>		
General rate - land value – District	Low	
Targeted rate - fixed charge - Area of service	High	High
Targeted rate - value of improvements - Area of service	Low	Low

Currently only a portion of funding for the stormwater component is obtained through district-wide rates on the basis that there are general benefits to all ratepayers from the management of stormwater in urban areas. A larger portion of rates has been targeted to those who directly receive the service, as these direct beneficiaries can be identified. Those targeted rates are currently collected on a community board area basis, with each of those areas having a stormwater sub-activity. Council has determined that in future, the targeted rates will be collected on a district-wide basis as the sub-activity is considered essential to the district, sustaining urban communities provides benefit to both urban and rural ratepayers, and the local exacerbators are often outside of the local community’s control.

The benefits of the land drainage schemes relate specifically to the local communities in which they are provided. A portion of the rate is related to land value, recognising that there is an affordability issue for some sectors of the community. A second, larger portion applies only to those directly provided with the service who are the primary beneficiaries.

**Capital expenditure** is funded as shown:

**Stormwater component**

	ILOS	Renewal	AC
General Rate	Yes	Yes	No
Uniform Annual General Charge (investment income subsidy)	No	No	No

Targeted Rate	Yes	Yes	No
Lump Sum Contributions	No	No	No
Fees and Charges	No	No	No
Borrowing	Yes	Yes	Yes
Asset Sales	Yes	Yes	No
Development Contributions	No	No	Yes
Financial Contributions	No	No	No
Grants and Subsidies	No	No	No
Depreciation Reserves	No	Yes	No
Other Reserves	Yes	Yes	No

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

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

Funding for capital expenditure by either the UAGC, general rate, targeted rates or fees and charges is based on the same rationale as that for operational expenditure and funds the repayment of debt.

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

#### **Land Drainage component**

No capital expenditure funding is required for this activity.



## Wastewater group of activities

This activity group contains the **Wastewater** activity.

### What we do

The wastewater activity covers the collection, treatment and safe disposal of wastewater (sewage) from households and businesses within currently serviced urban communities. The Council operates 10 wastewater systems in Cooks Beach, Coromandel, Hahei, Matarangi, Oamaru Bay, Onemana, Tairua-Pauanui, Thames, Whangamata and Whitianga. We are required to maintain our current wastewater schemes by law.

The wastewater activity is delivered to help protect the environment and public health. Wastewater systems help protect the environment by ensuring that raw wastewater does not infiltrate river and harbour catchments and coastal areas. Wastewater **systems provide a safe living environment for our residential and business communities. These services support the growth of our communities and the local economy.**

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

Council Outcome	The Wastewater activity...
<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"> <li>provides safe wastewater services to support a healthy community</li> <li>contributes to the development of a safe living environment</li> </ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"> <li>promotes strong partnerships with our district's iwi</li> </ul>

### A sustainable district He takiwā toitū

- Disposes of treated wastewater in ways that minimise environmental harm
- Balances the provision of this service with environmental protection
- Plays its part in keeping our environment safe and clean

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

Direct beneficiaries from the wastewater activity include those who are connected to or have the opportunity to be connected to Council's wastewater systems, as they can dispose of their own wastewater safely and conveniently through the network.

As wastewater infrastructure does not extend to all parts of the district, properties in those areas do not have the option of directly using the Council service.

However, most people living in or visiting the district benefit from wastewater schemes. Wastewater schemes help ensure our harbours, sea and soils are kept clean through collecting and treating wastewater in urban areas to meet environmental standards. That has flow-on effects to public health. Council views this activity as essential to the district, and considers the outcomes achieved through delivering it to be of importance and benefit to the district as a whole.

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

Notwithstanding the above, those connected to wastewater infrastructure are one identifiable beneficiary of this activity. Council knows which properties have the service available, and which ones are connected.

Properties that have the service available but are not connected still derive benefit from this activity, due to the value added to the property through the potential to connect to the service and the provision of reticulation, treatment and disposal capacity. This is reflected in the availability charge.

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

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

The service provided directly benefits those who are connected to the system or have the opportunity to connect through in effect collecting the wastewater from their properties. However, it also benefits communities more broadly through reducing pollution to waterways.

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

Once properties are connected to wastewater infrastructure, collection and disposal will continue into the foreseeable future. The benefits then should be felt in the long-term providing sufficient capacity is in place to collect and process wastewater.

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

Wastewater treatment and disposal costs are partially driven by higher environmental standards than in the past as well as by non-human influences such as rainfall. These factors are outside of the control of individuals or groups related to the district. However, Council also considers that these local exacerbators are outside of the local community's control.

However, human actions or inactions also play a role and those who are considered to contribute to the need for Council to carry out this activity include:

- those creating wastewater in urban areas, in particular, those contributing polluted water to the network
- all members of the district, as everyone is considered to have an interest in (and to generate a demand for) a clean, unpolluted environment and the recreational, visual and public health benefits associated with this
- opportunities are available for individuals and organisations across the district to take steps to decrease the use of wastewater services. For

example, grey water can be recycled and used for irrigation, food waste can be composted. Therefore, individuals and groups contribute to the need for this activity to the degree that they do not carry out these actions

- businesses that generate trade waste are exacerbators to the extent that they dispose of wastewater that costs more to treat than normal residential wastewater
- future users of the service who will benefit from existing assets
- those who undertake or demand further development in the district, thereby increasing the demand for the service and related assets.

While such urbanisation exacerbates the need for and extent of wastewater collection, it should be done in accordance with the district land use policies which are set with broader district benefits in mind. Council considers that sustaining these urban communities provides benefits to both urban and rural ratepayers.

The upgrades of the Eastern Seaboard Wastewater Plants at Whitianga, Tairua/Pauanui, and Whangamata contained a significant portion of additional capacity requirements. As such, from 2009 Council determined that it would not require the current ratepayers to fund the depreciation on the additional capacity proportion until that capacity is taken up. Council reviewed this approach as part of the 2018-2028 Long Term Plan and determined that it would discontinue this approach and begin fully funding the depreciation on these assets.

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

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

There would be benefits from the funding of targeted rates by area of service separately as this enables Council to collect funds specifically from those who receive the service. It is also more convenient and practical to collect user fees and charges separately.

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

There are usually no external sources of funds to subsidise wastewater



services. Some user fees can be charged to commercial entities discharging large volumes of wastewater.

### How is the activity funded in the 2021-2031 Long Term Plan?

**Operating expenditure** is funded as shown:

District	
Fees and charges	Low
<b>Rates</b>	
Uniform Annual General Charge - District	
Targeted rate - fixed charge - Area of service	High

A very small portion of funding is obtained through fees and charges from forestry harvest at Whangamata. This is not an annual revenue stream as it is determined by log prices and the age of the forest over which the treated effluent from the wastewater plant is dispersed. A high portion of rates is applied equally to those who receive the service and benefit directly.

An availability charge is made for those who have access to the service but have chosen not to connect.

**Capital expenditure** is funded as shown:

	ILOS	Renewal	AC
General rate	No	No	No
Uniform Annual General Charge (investment income subsidy)	No	No	No
Targeted rate	Yes	Yes	No
Lump sum contributions	Yes	No	Yes
Fees and charges	No	No	No
Borrowing	Yes	Yes	Yes
Asset sales	Yes	Yes	No
Development contributions	No	No	Yes
Financial contributions	No	No	No
Grants and subsidies	Yes	Yes	No

Depreciation reserves	No	Yes	No
Other reserves	Yes	Yes	No

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

Capital expenditure for additional capacity can provide benefits for both new development commencing in the Long Term Plan period and future development commencing after the 10-year period of the plan. Council considers it appropriate to recover the costs associated with this expenditure over the time period in which the growth is occurring. Funding for capital expenditure by either the UAGC or targeted rates is based on the same rationale as that for operational expenditure and funds the repayment of debt.

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

Certain projects to reticulate previously unserved properties into the area of benefit are funded by lump sum contributions from the affected properties.



## Water Supply group of activities

This activity group contains the **Water Supply** activity.

### What we do

The water supply activity covers the provision of water to residential, commercial and industrial properties in the district and the treatment of water to ensure it is safe for our communities to use. Council serves 10 water supply schemes in the district, operates nine water treatment facilities and has three rural water supplies located south of Thames. The total pipe length of the district's water supply activity is 548km, servicing 17,840 water connections throughout the district.

Clean and safe water is one of the essential services Council provides to the community. Council water supplies ensure that people in the areas of benefit (usually urban areas) have safe clean water to drink and to clean with (to maintain public health). The water systems provide water for commercial uses and also firefighting which helps protect our communities and visitors. The rural supply networks of Matatoki, Puriri, Omahu, Wharepoa and Hikutaia are recognised as nearing the end of their useful lives and renewal to upgrade works are already underway.

The Drinking Water Standards New Zealand 2005 (08) require upgrades to the majority of our treatment plants. These are underway or programmed in the coming three years.

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

Council Outcome	The Water Supply activity...
<b>A vibrant district</b> <b>He takiwā hihiri</b>	<ul style="list-style-type: none"><li>• supports the forecast increase in residential and commercial property growth, by providing essential services in and around current serviced areas</li><li>• provides infrastructure to help build healthy communities</li><li>• provides capacity and programmes for managing projected growth</li></ul>
<b>A connected district</b> <b>He takiwā tuia</b>	<ul style="list-style-type: none"><li>• supports the growth of communities through providing infrastructure</li></ul>
<b>A sustainable district</b> <b>He takiwā toitū</b>	<ul style="list-style-type: none"><li>• minimises the impact of taking water from the natural environment</li><li>• balances the provision of this service with environmental protection</li></ul>

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

Water Supply is considered essential for maintaining life, public health and the protection of property from fire. Water supply schemes provide benefits to the whole of the community by maintaining public health standards. It also ensures that water safety standards are met for the fire-fighting service, to protect properties and ensure public safety.

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

sustaining these urban communities through provision of essential services in turn provides benefits to both urban and rural ratepayers.

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

The direct benefits are to those users of the system who are readily identifiable. Council knows which properties have the service available, and which ones are connected. Properties that have the service available but are not connected still derive benefit from this activity, due to the value added to the property through the potential to connect to the service. This is reflected in the availability charge. While visitors and tourists benefit from and cause capital expenditure in most of the district's community facilities and infrastructure, including water supply, expenditure cannot be cost-effectively determined or recovered from these groups.

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

The service provided directly benefits the users of those properties who are connected to the system or have the opportunity to connect.

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

Water infrastructure is provided in such a way as to continue supplying a level of water to serviced properties into the foreseeable future. The benefits should be felt in the long-term, providing sufficient source capacity is available.

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

The costs of water treatment and supply are partially driven by higher environmental and public health standards than in the past, and the proximity of the water source to the user. These factors do not result from the actions or inactions of particular groups or individuals and are ultimately outside the district's control. In addition, many of the local exacerbators of this activity are outside of the local community's control for example, the sensitivity of the surrounding environment on the availability of water at source.

However, individuals and groups who, by demanding the service contribute to the need for Council to carry out this activity. These include:

- those who require connection to the service to ensure supply of safe water for household or business use;
- all members of the district, as everyone is considered to contribute to

the demand for water for safe drinking, cleaning and potential firefighting at home or in other places they live, work and visit;

- future users of the service who will benefit from existing assets; those who undertake or demand further development in the district, thereby increasing the demand for the service and related assets.

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

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

There would be a benefit from funding targeted rates by area of service separately as this would enable Council to collect funds specifically from those who receive the service. Similarly, it would be beneficial for Council to fund any targeted rate by quantity of water supplied separately as it ensures users pay according to their various rates of usage.

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

There are usually no external sources of funds to subsidise water services. If any opportunity to utilise national funding sources arises in the future the Council will actively seek to access such funding. Direct user fees in the form of water-by-volume rates are charged to the communities of Thames, Thames Valley, Coromandel, Pauanui and the commercial area of Whitianga. In the 2021-2031 LTP a project to install water metering in the currently unmetered and reticulated areas is being proposed. This project is being funded from a grant received from Central Government in relation to the Water Reform project.

**How is the activity funded in the 2021-2031 Long Term Plan?**

**Operating expenditure** is funded as shown:

District

Rates	
Targeted Rate - Fixed charge and/or water-by volume - Area of Service	High

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

Since 1 July 2012, the costs associated with Council's eleven water schemes have been pooled together and then apportioned equally to those who receive the service (with an appropriate adjustment made for water by volume charges) through a targeted rates fixed charge by area of service.

The Council has water schemes in the Thames Valley, including Matatoki, Puriri, Omahu and Hikutaia. However, these schemes are different to the other water schemes throughout the District because the water supply is currently not treated and does not meet the Drinking Water Standards. However, the intention is to upgrade these schemes as part of the Drinking Water Standards upgrade project to eventually comply with the Drinking Water Standards.

Council has a water by volume charge of \$1.37 (plus GST) per cubic metre. Section 19 in the Local Government Rating Act does not provide for a differential (two different charges) for water by volume. An automatic 50% rates remission is applied to the water by volume charge for metered properties that receive untreated water to recognise the difference between our communities who receive treated water supply and metered untreated water supply.

An availability charge is made for those who have access to the service but have chosen not to connect.

**Capital expenditure** is funded as shown:

	ILOS	Renewal	AC
General rate	No	No	No
Uniform Annual General Charge (investment income subsidy)	No	No	No
Targeted rate	Yes	Yes	No
Lump sum contributions	Yes	No	Yes
Fees and charges	No	No	No
Borrowing	Yes	Yes	Yes

	ILOS	Renewal	AC
Asset sales	Yes	Yes	No
Development contributions	No	No	Yes
Financial contributions	No	No	No
Grants and subsidies	Yes	Yes	No
Depreciation reserves	No	Yes	No
Other reserves	Yes	Yes	No

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Funding for capital expenditure by either the UAGC, general rate, targeted rates or fees and charges is based on the same rationale as that for operational expenditure and funds the repayment of debt.

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

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