



EXTRAORDINARY MEETING of Council AGENDA

Time: 1:00 pm
Date: Wednesday, 18 October 2023
Venue: Waiata House, 27 Lincoln Road,
Masterton

MEMBERSHIP

Mayor Gary Caffell (Chairperson)

Councillor Bex Johnson
Councillor Craig Bowyer
Councillor Brent Goodwin
Councillor David Holmes

Councillor Tom Hullena
Councillor Stella Lennox
Councillor Tim Nelson
Councillor Marama Tuuta

Values

1. **Public interest:** members will serve the best interests of the people within the Masterton district and discharge their duties conscientiously, to the best of their ability.
2. **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency.
3. **Ethical behaviour:** members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour.
4. **Objectivity:** members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.
5. **Respect for others:** will treat people, including other members, with respect and courtesy, regardless of their ethnicity, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of Council staff.
6. **Duty to uphold the law:** members will comply with all legislative requirements applying to their role, abide by this Code, and act in accordance with the trust placed in them by the public.
7. **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attending meetings and workshops, preparing for meetings, attending civic events, and participating in relevant training seminars.
8. **Leadership:** members will actively promote and support these principles and ensure they are reflected in the way in which MDC operates, including a regular review and assessment of MDC's collective performance.

These values complement, and work in conjunction with, the principles of section 14 of the LGA 2002; the governance principles of section 39 of the LGA 2002; and our MDC governance principles:

Whakamana Tangata	Respecting the mandate of each member, and ensuring the integrity of the committee as a whole by acknowledging the principle of collective responsibility and decision-making.
Manaakitanga	Recognising and embracing the mana of others.
Rangatiratanga	Demonstrating effective leadership with integrity, humility, honesty and transparency.
Whanaungatanga	Building and sustaining effective and efficient relationships.
Kotahitanga	Working collectively.

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The Chairperson will open the meeting with the karakia

Karakia timatanga

Kia tau ngā manaakitanga a te mea ngaro	Let the strength and life force of our ancestors
ki runga ki tēnā, ki tēnā o tātou	
Kia mahea te hua mākihikihi	Be with each and everyone of us
kia toi te kupu, toi te mana, toi te aroha, toi te Reo Māori	Freeing our path from obstruction
kia tūturu, ka whakamaua kia tīna! Tīna!	So that our words spiritual, power, love and language are upheld
Hui e, Tāiki e!	Permanently fixed established and understood
	Forward together

At the appropriate time, the following karakia will be read to close the meeting

Karakia whakamutunga

Kua mutu ā mātou mahi	Our work has finished
Mō tēnei wā	For the time being
Manaakitia mai mātou katoa	Protect us all
Ō mātou hoa	Our friends
Ō mātou whānau	Our family
Āio ki te Aorangi	Peace to the universe

1 CONFLICTS OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2 APOLOGIES

The Chair invites notice from members of:

- leave of absence for future meetings of Masterton District Council
- apologies, including apologies for lateness and early departure from the meeting where leave of absence has not previously been granted.

3 ITEMS NOT ON THE AGENDA

The Chairperson will give notice of items not on the agenda as follows:

Matters requiring urgent attention as determined by resolution of the Council

- The reason why the item is not on the agenda; and
- The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor matters relating to the general business of Council

No resolution, decision or recommendation may be made in respect of the item except to refer it to a subsequent meeting of Masterton District Council for further discussion.

4 REPORTS FOR DECISION

4.1 ADOPTION OF REVENUE AND FINANCING POLICY CONSULTATION DOCUMENT AND SUPPORTING INFORMATION

File Number:

Authors: David Paris, Manager Finance
Karen Yates, Manager Strategy and Governance

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to seek Council adoption of the Revenue and Financing Policy Consultation Document, which outlines proposed changes to Council's Revenue and Financing Policy for the 2024-34 Long-Term Plan (LTP) and supporting information.

EXECUTIVE SUMMARY

The Revenue and Financing Policy provides a formal and public statement of how Council will fund the various activities and services it provides for our community, including rates and user pays fees and charges.

A copy of the Revenue and Financing Policy consultation document is included as Attachment 1, noting final proofing is to be completed.

A copy of supporting information for the consultation document is included as Attachment 2.

RECOMMENDATIONS

That Council

1. **adopts** the supporting information for the Revenue and Financing Policy Consultation Document. This includes:
 - a. A copy of the draft proposed Revenue and Financing Policy, noting this will be updated to the current policy template as it is finalised.
 - b. Section 101 (3) analysis.
2. **adopts** the Revenue and Financing Policy Consultation Document;
3. **delegates** authority to the Chief Executive to approve minor edits prior to publication of the Revenue and Financing Policy Consultation Document; and
4. **notes** that consultation will take place from Friday 20 October through until close of business on Monday 20 November 2023.

CONTEXT

The Local Government Act 2002 (LGA) requires councils to adopt a Revenue and Financing Policy that provides details on how Council will fund operational and capital expenditure. This policy contributes to providing predictability and certainty about sources and levels of funding (section

102). Sources of funding include rates, fees and charges, borrowing and external funding sources such as Waka Kotahi subsidies.

The Revenue and Financing Policy sets out the:

- Funding tools available to us e.g. rates or user fees and charges
- Factors we consider when deciding which tool to use
- Decisions we have made on how to fund each of our activities.

This includes outlining which sectors of our community contribute to paying for the various activities and services that Council provides, with a view to achieving the fairest funding mix for the community as a whole.

The 2023 Revenue and Financing Policy review has been undertaken in alignment with the requirements of the LGA as discussed in more detail below.

Adoption of the Consultation Document will enable community consultation on the proposed changes to commence on Friday 20 October 2023, which will enable sufficient time for any changes to the policy that are confirmed to be incorporated into the 2024-34 Long-Term Plan (LTP). Further detail on the consultation approach is included below.

ANALYSIS AND ADVICE

The Revenue and Financing Consultation Document (Attachment 1) outlines Council's proposed changes to the policy. Further information is included as supporting information (Attachment 2).

The Review Process:

The Revenue and Financing Policy is reviewed as part of the development of Council's Long-Term Plan (LTP) every three years. Council may also amend sections of the policy in subsequent Annual Plans.

Under the LGA a Revenue and Financing Policy review is a two-step process:

The first step, in accordance with LGA section 101(3)(a), is to consider each of the following in relation to each of the Council's activities:

1. the community outcomes to which the activity primarily contributes
2. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
3. the period in or over which those benefits are expected to occur
4. the extent to which the actions or inaction of particular individuals, or a group contribute to the need to undertake the activity
5. the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

The second step, in accordance with LGA section 101(3)(b), requires the Council to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.

Copies of the analysis for these sections of the LGA are included as part of the supporting information in Attachment 2.

Key Changes Proposed:

Key changes to the Revenue and Financing Policy that are being proposed include (noting further detail is included in the consultation document):

- **Maximising user fees and charges where this is fair and achievable** – this proposal places emphasis on recovering the cost of services from the users of those services wherever possible. For some services and activities there are wider community benefits, and therefore a rates contribution is appropriate to recognise the wider community wellbeing aspect of the service. However, it is not always feasible to recover the full cost of the service from fees and charges as this may make these services unaffordable or result in unintended consequences (e.g., raising transfer station fees beyond a tolerable amount may result in increased fly tipping). For these types of services, a rates contribution enables Council to continue to offer the service and/or recognises the wider community benefit provided by that service. The provision of regulatory services, libraries and swimming pools are examples of these types of services.
- **Recognising the wider community benefit of providing animal control services and balancing the cost of this service** – this proposal would decrease the proportion of animal control services funded by dog owners (user pays) from 85 to 70 per cent with a subsequent increase in rates contribution from 15 to 30 per cent. Animal services is an activity area where increasing user pays is not assessed as fair or achievable given the increasing costs associated with the new Animal Shelter that is needed to support the dog control aspect of this service. Increasing the proportion of this activity funded from rates recognises the wider community benefit of the animal services activity e.g., fewer wandering dogs and dog attacks.
- **Changing funding for community development from a Capital Value rate to a Targeted Uniform Charge** – this proposal reflects Council's view that community development benefits everyone and therefore every property should contribute the same amount towards the delivery of community development services. This is consistent with Council's approach to funding community facilities such as the library and Trust House Recreation Centre.
- **Changing the allocation for roading rates** – this proposal sees a slight change in allocations for urban and rural ratepayers to better reflect where we spend the roading budget. Urban roading contributions would reduce from 31 to 30 per cent and rural roading contributions would increase from 69 to 70 per cent.
- **Increasing the rural ratepayer contribution toward paying for storm damaged rural roads** – this proposal changes the allocations for urban and rural ratepayer contributions, reflecting the fact that rural ratepayers are the primary users of the roads that require

repair. Urban contributions would reduce from 35 to 10 per cent and rural contributions would increase from 65 to 90 per cent.

- **Increasing the targeted uniform charge for urban properties with access to water supply and wastewater services** – this proposal would spread the cost of these services more evenly across urban ratepayers by changing the allocation for urban water supply and wastewater services from 25 to 30 percent targeted uniform charge, reducing the Capital Value (CV) contribution from 75 to 70 per cent. Using the CV of properties as the rating tool is a proxy for use of the services - i.e., there is an assumption that a higher value home or commercial property is likely to be a larger user of the services. It also reflects greater ability to pay. The increase in the percentage based on a uniform charge spreads these costs more evenly across all connected properties.

Other changes include updating the population split between urban and rural rating areas to reflect current population. The change reflects that since 2018 there has been more growth in the urban area than in rural. Under the policy, the allocation between urban and rural properties is applied ‘up front’ to all activities that are funded by the whole community. The allocation will increase from 77.5 to 79 per cent for urban and reduce from 22.5 to 21 per cent for rural to better reflect the proportion of our population living in the urban and rural areas.

Financial Implications

Each of the proposals will impact individual properties differently depending on the type of property and the value of that property.

The Capital Value (CV) and Land Value (LV) proportion of rates is based on the value of a property as assessed by Quotable Value (QV) New Zealand. Valuations for all properties are re-assessed every three years. Masterton District Council’s last assessment was in 2020, and values are being reviewed again now. The outcome of the valuation assessment, which will not be known until late 2023/early 2024, may see some properties increase or decrease in value. This will affect how Council’s policy, and proposals for change, that are based on CV and/or LV impact actual rates.

In summary, if all of Council’s proposals were applied, based on current values and the current year’s budget, the financial impact for the community would see decreases in rural and urban commercial rates; decreases in higher value urban residential properties and lifestyle block rates; and increases in lower and medium value residential property rates.

Rates examples	Urban Residential			Urban Commercial (shop)	Lifestyle	Rural (farm)
Land Value	\$170,000	\$370,000	\$390,000	\$370,000	\$395,000	\$4.7m
Capital Value	\$330,000	\$455,000	\$830,000	\$455,000	\$835,000	\$5.32m
Annual \$ change	+\$75	+\$35	-\$72	-\$116	-\$18	-\$261
% change	+3.0%	+1.1%	-1.4%	-2.0%	-0.8%	-2.2%

Consultation Approach:

If the consultation document is adopted by Council, consultation will launch on Friday 20 October and close on Monday 20 November 2023.

The consultation approach will be primarily online, supported through traditional media, and will include:

- Targeted social media, with some traditional media to support this.
- Direct email to Iwi and key stakeholders (including ratepayers who have provided their email address) to raise awareness of the review and the opportunity to have a say.
- An online webinar style forum with the Manager Finance.
- Elected member attendance at ‘face to face’ meetings by invitation.

Depending on demand, a hearing will be held on Wednesday 29 November 2023.

Deliberations are scheduled to take place at an Extraordinary Council meeting on Wednesday 13 December 2023.

OPTIONS CONSIDERED

A summary of the options considered is included in the table below.

Options		Advantages	Disadvantages
1	Adopt the Revenue and Financing Consultation Document and supporting information (recommended)	<p>This would enable consultation with our community to commence.</p> <p>This would enable Council to finalise the Revenue and Financing Policy in time to incorporate any changes in the 2024-34 Long-Term Plan (LTP).</p>	No disadvantages identified.
2	Do not adopt or defer adoption of the Revenue and Financing Consultation Document and supporting information.	No advantages have been identified.	<p>Consultation would be delayed.</p> <p>Council may not be able to finalise the policy in time to incorporate any changes in the 2024-34 Long-Term Plan (LTP).</p>

RECOMMENDED OPTION

Officers recommend Option 1. This will enable Council to commence consultation on the proposed changes to the Revenue and Financing Policy; and allow sufficient time to finalise the policy and incorporate any changes in the 2024-34 Long-Term Plan.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

Section 82 of the LGA applies to the Revenue and Financing Policy consultation process. The consultation process outlined in this report aligns with the Special Consultative Procedure as prescribed in Section 83 of the LGA. This meets the requirements of Section 82 and includes preparing and adopting a consultation document, making information available and providing an opportunity for people to present their views.

Significance, Engagement and Consultation

As noted, the proposed consultation approach complies with Section 82 of the LGA and aligns with the Special Consultative Procedure as prescribed in Section 83 of the LGA.

The Revenue and Financing Policy sets Council's framework for funding the activities and services it provides and identifies which sectors of our community contribute funding and how (i.e., via rates or fees and charges). Given that, the policy has implications for all ratepayers and residents and is considered significant. The individual changes being proposed are not considered a significant shift from the current policy but will impact every ratepayer and resident differently depending on what services they use (for user pays) and the type and value of the property they own and pay rates on.

Financial Considerations

As noted, the Revenue and Financing Policy outlines how Council will fund its activities and services and which sectors of our community will contribute and how. Overall, the combined effect of the proposed changes is a shift towards more user pays (where it is feasible to increase fees and charges); a reduction in rates contributed by rural, commercial and higher value properties; and an increase in rates contributed by lower to medium value properties.

Implications for Māori

Council's Revenue and Financing Policy must support the principles set in the preamble to the Te Ture Whenua Māori Act. Council supports these principles through considering how the status of Māori freehold land affects the LGA s 101(3) funding principles. In particular, the distribution of benefits can be substantially different for Māori Freehold land compared to land in general ownership e.g. increased land values can be realised through the sale of general land but not Māori Freehold Land. As every block of Māori Freehold Land is different and requires specific consideration, Council's approach is to support the principles of the Te Ture Whenua Māori Act through its policies on Rates Remission and Postponement on Māori Freehold Land to provide for the most appropriate support for the particular circumstances of the block of land, its ownership structure and the aspirations of the owners. The Rates Remission and Postponement on Māori Freehold Land Policy is being reviewed and will be consulted on as part of the 2024-34 Long-Term Plan process.



Communications/Engagement Plan

The consultation approach for the Revenue and Financing Policy is outlined in the body of this report.

Environmental/Climate Change Impact and Considerations

There are no specific environmental/climate change implications associated with adopting the Revenue and Financing Policy consultation document. The consultation approach is primarily online, which better aligns with environmental objectives.

ATTACHMENTS

1. **Attachment 1 Revenue and Financing Policy Consultation Document and submission form** [↓](#) 
2. **Attachment 2 - Supporting Information - Draft Revenue and Financing Policy and Section 101(3) Analysis** [↓](#) 

REO MĀORI TRANSLATION
**REVENUE AND FINANCING
POLICY REVIEW:
CONSULTATION DOCUMENT**



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f @MastertonDC

TE KAUNIHERA Ā-ROHE O WHAKAORI

MASTERTON
DISTRICT COUNCIL



NGĀ HUA O ROTO

CONTENTS

This consultation document has been prepared to give effect to the requirements of Section 82 of the Local Government Act 2002.

It includes the following sections:

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REO MĀORI TRANSLATION

BACKGROUND

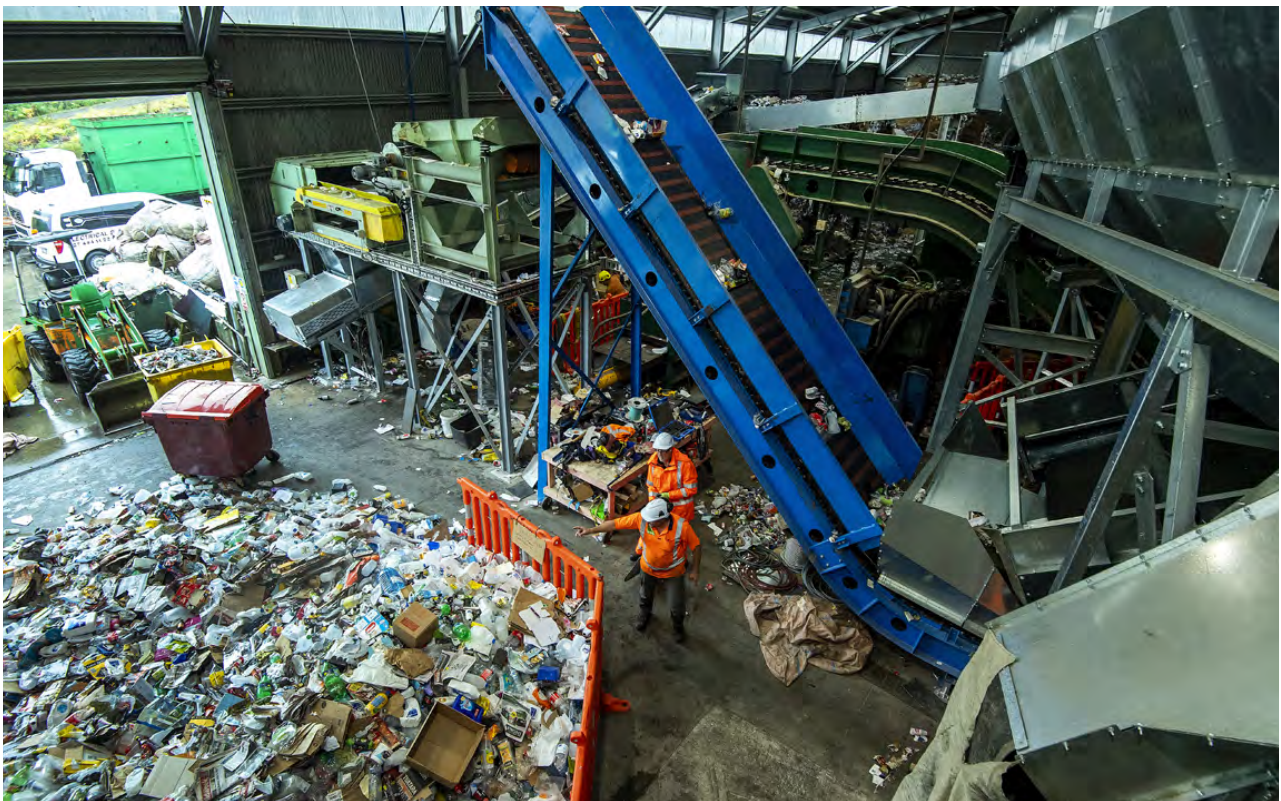
Masterton District Council is reviewing its Revenue and Financing Policy, made under Sections 101, 102 and 103 of the Local Government Act 2002. This process is often called a rating review, but incorporates all sources of funding.

The policy determines how the Council funds the services it provides and then how the ratepayer share is divided up. We want your feedback on whether you think our proposed changes to the policy are creating a fairer way to determine who pays what.

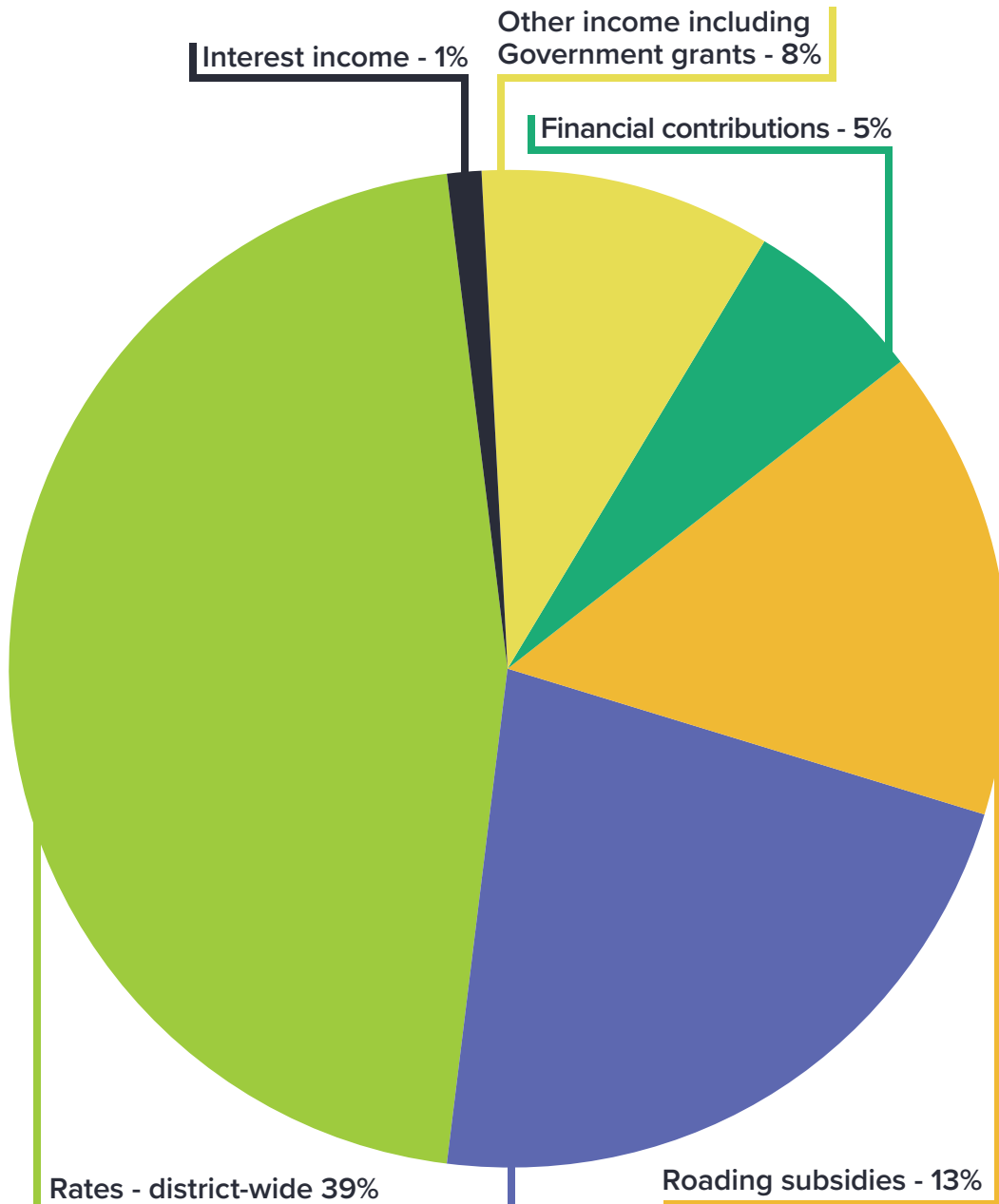
Deciding what services to provide and how to fund them

The Council prepares annual plans and long-term plans (every three years) which determine the services the Council is going to provide, such as roading, water supply, wastewater services, animal control, planning and building consents, and community facilities. The community has a chance to have their say on these services, and the associated costs for those services, when the Council consults on a plan.

The Revenue and Financing Policy determines how the Council funds the services set out in these plans, rather than how much the services cost. The Council funding comes in several forms, including rates, fees and charges for people using particular services (e.g. building consents and dog registration fees), loans, and Central Government funding (including roading subsidies).



Where the Council's funding comes from



Rates - district-wide 39%

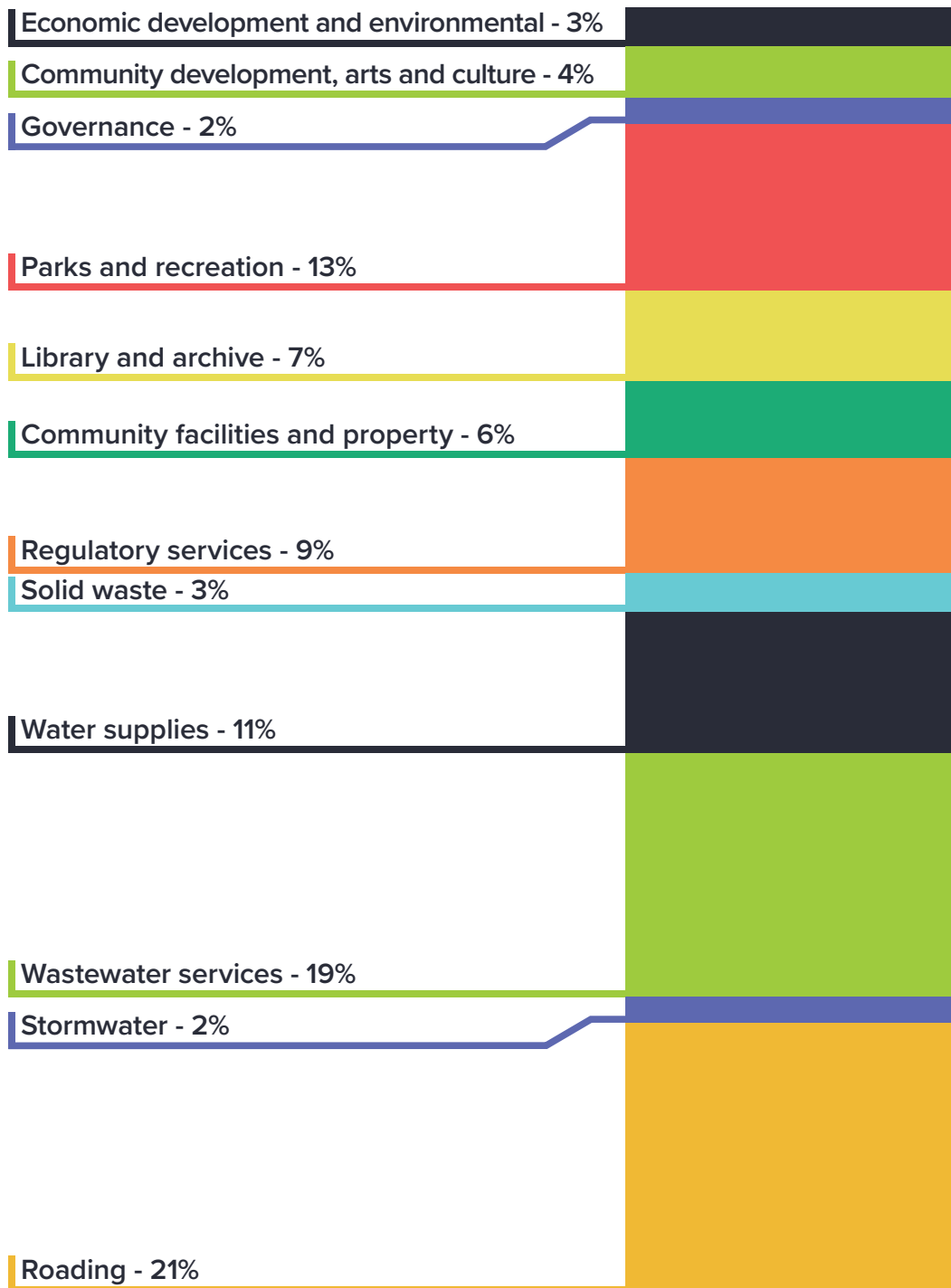
These are rates charged to all properties in the District, funding services that Council believes all ratepayers should be contributing to. They include rates charged on Land Value, Capital Value and flat charges (known as Targeted Uniform Charges (TUC)).

Rates - targeted services 19%

These are rates covering services only available in certain parts of the District, i.e. Masterton urban water and wastewater, recycling collection, Castlepoint and Riversdale Beach wastewater treatment, refuse and recycling collections, Tinui water and wastewater treatment.

What rates pay for

Just under half of the Council's annual costs (around \$48 million last year, including GST) are paid for by rates the Council collects from property owners. Below is a summary of how the rates collected are spent on different initiatives the Council provides for the community:



What is the fairest way to share costs?

The Council has been considering the fairest way to share costs among users of services and ratepayers. It's not as simple as charging all users of facilities, or dividing the money required by the number of ratepayers so that everyone pays the same amount. Not everyone has access to the same services (e.g. treated water, wastewater services, rubbish collection), so we assess the share of funding for each different activity.

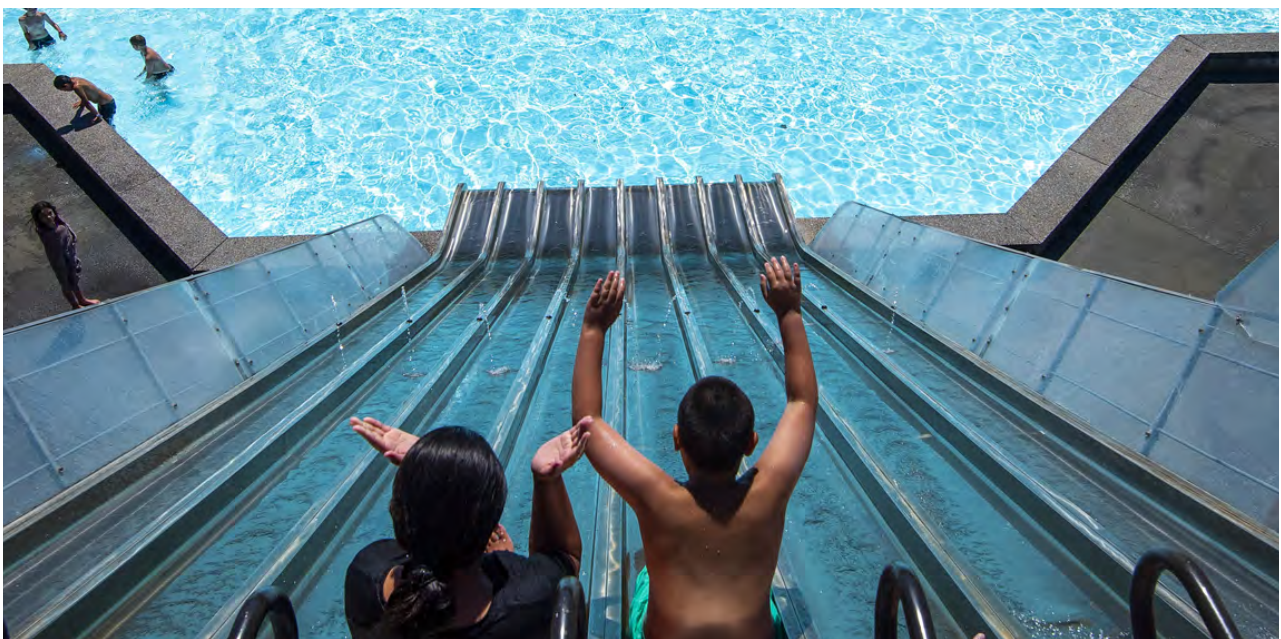
The Council can charge individual users for some services (e.g. building consents), but it is not practical or fair to charge on an individual basis for the cost of having all the things that make Masterton an attractive place to live. For instance, you may not choose to use the library, swimming pool, parks or recreation trails, but these facilities are available for you to use and make Masterton an attractive place to live and improve the wellbeing of our community.

In deciding how to fund its services, the Council must consider:

- what community outcomes an activity primarily contributes to
- which individuals or groups benefit
- the period of time in which benefits are expected to occur
- the extent to which actions or inaction of individuals or groups contribute to the need for an activity
- the costs and benefits of an activity, including consequences of funding the activity separately to other activities.

Once the Council has determined this it considers:

- the affordable level of user fees
- whether to fund from previously built-up reserves or fund in advance
- rates remission and postponement policies
- the division between urban and rural rating areas for each activity
- the selection of rating tools for each activity e.g. uniform charging or property values
- whether to modify charges using differentials i.e. charge a different level of rates for different categories of properties (e.g. commercial properties in urban Masterton CBD pay twice the urban residential rate for a property of the same value).



What tools can Council use to spread the cost?

There are several rating tools councils can use to spread the cost of Council services and share the rates among different ratepayers.

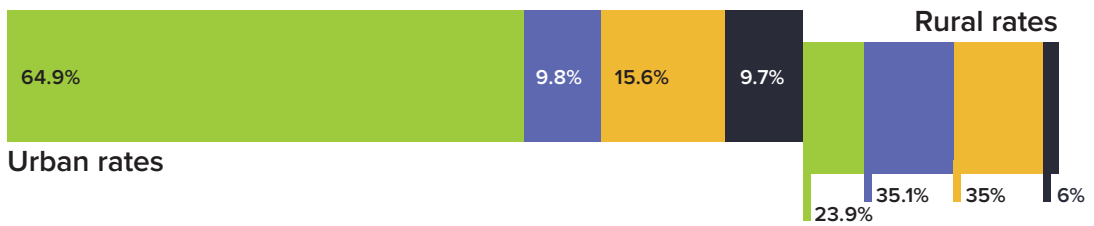
The tools the Council can use

<p>Urban and Rural allocation</p>	<p>The Council's current rating system first allocates the costs of services between urban and rural properties. Council uses different methods to allocate the cost between the two areas. Some services are based on the population split, others are based on access to the service, and roading is based on where the expenditure occurs.</p>
<p>Capital Values (CV)</p>	<p>These are provided by Quotable Value (QV). Using CV as the basis to charge means properties with a higher CV (land plus improvements like buildings) pay a greater share of the rates.</p>
<p>Land Values (LV)</p>	<p>The value of land alone based on QV valuations.</p>
<p>Targeted Uniform Charges (TUC)</p>	<p>The same dollar amount is charged for each type of property e.g. all urban properties are charged the same TUC.</p>
<p>Services Charges</p>	<p>The same dollar amount charged to all properties receiving services such as rubbish collection, recycling collection, water and wastewater services.</p>

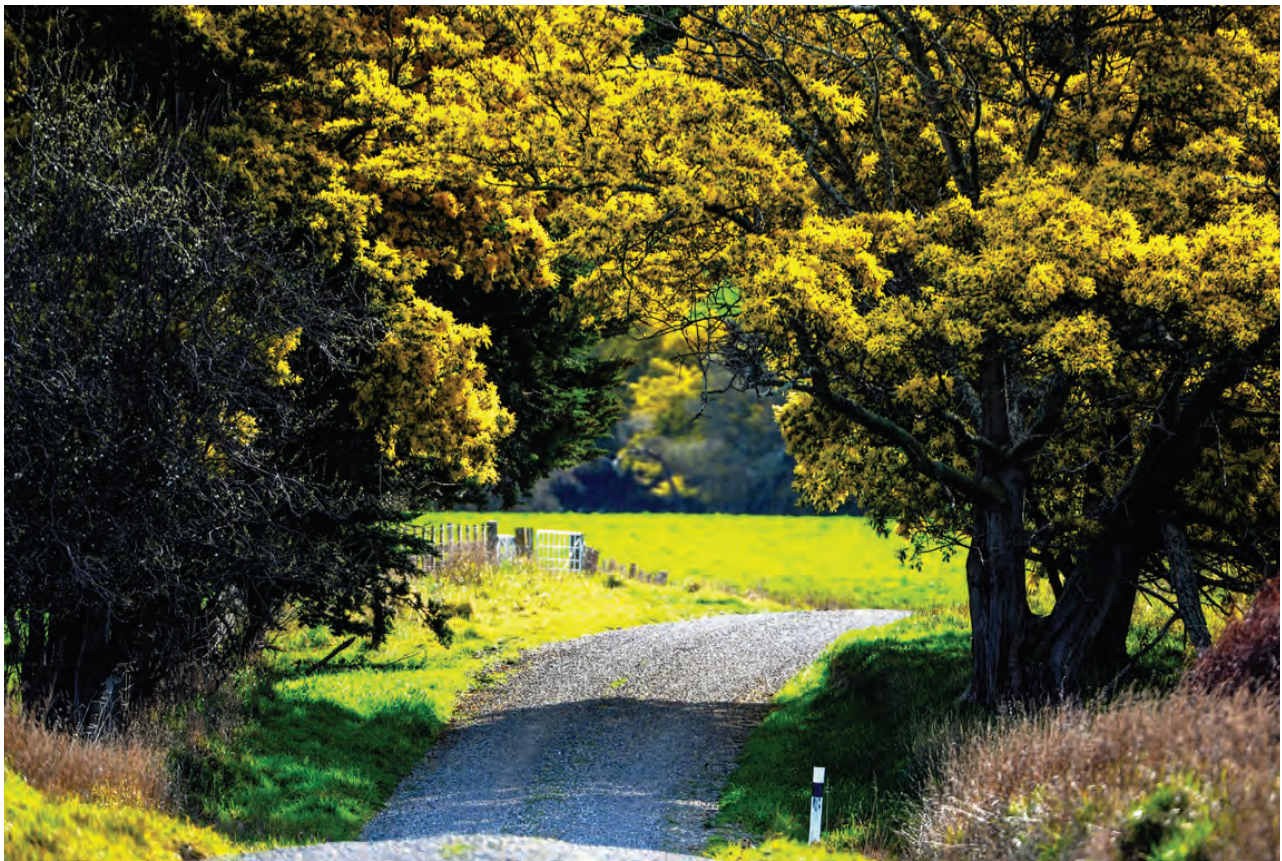
What happens currently?

Under the current policy the allocation between the different rating tools and urban and rural properties for the 2023/24 financial year looks like this.

Current makeup of rates - total



- Capital Values (CV)
- Land Values (LV)
- Targeted Uniform Charges (TUC)
- Services Charges



REO MĀORI TRANSLATION

PROPOSED CHANGES

The role of the Revenue and Financing Policy is to divide Council costs up among the community

Note: The outcome of this review will take effect from 1 July 2024. Examples given are based on budgets from the 2023/24 financial year and current property values for selected urban (residential and commercial) and rural property examples. Examples show the difference in what would be paid this financial year with the proposed change compared to under the current policy. Examples are not indications of future rates, and the actual impact for each ratepayer will depend on their individual circumstances and property revaluations, which are due from QV in December 2023.

Proposal 1: Maximising our user fees while ensuring they are fair and achievable

Where it can, the Council tries to recover costs from people who use a service by charging a user fee (e.g. building consent fees and dog registration fees). For each activity, the Council decides which portion should be paid for by users and the remainder is paid for by the community through rates.

The Council is proposing to increase the portion of user fees over the longer term to better reflect those who get the most benefit from a service.

In reviewing its policy, the Council has tried to maximise the amount collected from users, wherever possible. However, there is often a limit to the costs we can pass on to users. User charges may have been low historically and it would not be fair to increase the charge significantly in a short space of time, or increases may be unaffordable and result in unintended consequences. We have based proposed changes on user charges that been received in recent years. The Council's proposed allocations between users and the wider community can be viewed in the proposed Revenue and Financing Policy.

The impact of this proposal on fees and charges will be determined when the Council sets its Fees and Charges for 2024/25 through the 2024-34 Long Term Plan. There will be an opportunity to have your say on those proposals when we consult on the plan.

Recognising the wider community benefit of animal control activities

Animal services is one activity area where it was not assessed as fair or achievable to increase user fees. Dog registration fees help us fund our animal control activities to ensure animals are looked after in a safe way and that they are not causing nuisance to the public (e.g. through wandering or attacks). Our planned new animal shelter means our costs in this area are rising. The new shelter is needed to support the animal control aspect of this service, which has a wider community benefit.

The Council needs to balance how to fund its increasing animal control costs. Currently, we aim to collect 85 per cent of our animal control costs from dog owners, and the remaining 15 per cent from the wider community through rates. The Council is proposing to change this to collect 70 per cent from dog owners, and the remaining 30 per cent from the wider community through rates. This better recognises the wider community benefit of providing this service.

Why is the Council suggesting this?

We know dogs provide important companionship and social wellbeing and the Council has heard from some dog owners that our registration fees are too high.

Councils that have lower dog registration fees typically put more of the cost of animal control services onto ratepayers. These councils put more emphasis on the wider community benefit of the control of dogs and making the district a safer place to live when deciding what the share should be.

Reducing the share funded by dog owners will recognise this wider benefit and is consistent with Council's approach to ensuring user fees are fair and achievable.

What else is the Council doing to support dog owners?

We know responsible dog owners play an important role in keeping our community safe. The Council is looking at ways to further incentivise responsible dog owners by reviewing the structure of dog fees as part of setting the Fees and Charges for the 2024/25 financial year. There will be an opportunity to have your say on dog registration fee proposals when we consult on the 2024-34 Long-Term Plan.





Proposal 2: Recognising that community development benefits everyone

Community development activities include those such as the Christmas Parade, Cultural Festival, and support for residents' associations and retailer groups. These activities contribute to improved community wellbeing and make Masterton an attractive place to live. Some of these activities are funded through Government subsidies or other funding, sources but the Council also contributes through rates. The Council's share is currently funded through a rate based on the CV of a property. The Council is proposing to change this to a targeted uniform charge (TUC).

Why is the Council suggesting this?

Currently properties with a higher CV pay more. This policy was based on the assumption that people who own properties with a higher CV generally have a greater ability to pay. Changing to a TUC means every property owner will pay the same dollar amount no matter how much their property is worth. The Council thinks this is fairer since these activities can be accessed and enjoyed by everyone. This is also consistent with how we rate for community facilities like the Trust House Recreation Centre and library.

How will it impact rates?

The table below gives some examples of the impact on different property types from this proposed change. The table shows the difference that would be paid in rates in 2023/24 under the proposed policy compared to the current policy.

Property type	Urban residential			Urban commercial (shop)	Lifestyle	Rural (farm)
Land value (LV)	\$170,000	\$215,000	\$390,000	\$370,000	\$395,000	\$4.7m
Capital value (CV)	\$330,000	\$470,000	\$830,000	\$455,000	\$835,000	\$5.32m
Annual \$ change	+\$40	+\$14	-\$52	-\$66	+\$12	-\$290
Percentage change	+1.6%	+0.5%	-1.0%	-1.1%	+0.5%	-2.4%

Proposal 3: Realigning our allocation of roading costs between urban and rural areas

The Council provides a network of local roads throughout the district. Most roading costs (e.g. roading renewals) are subsidised by the Government while some costs aren't (e.g. mowing verges, street trees).

Of the costs that are subsidised, Waka Kotahi (NZ Transport Agency) pays 56 per cent through money they get from fuel taxes and vehicle registrations, and Council funds the rest largely through rates. Council allocates its share of the cost between urban and rural ratepayers to recognise that we spend different amounts in the two rating areas of our district.

We currently allocate 31 per cent to urban ratepayers and 69 per cent to rural ratepayers. The Council is proposing to change this to 30 per cent for urban and 70 per cent for rural.

Why is the Council suggesting this?

The Revenue and Financing Policy uses our current knowledge of spend on the roading network, splitting costs between urban and rural areas. Making this change means the allocation will better reflect the split of where we expect to apply the roading budgets.

How will it impact rates?

The table below gives some examples of the impact on different property types from this proposed change. The table shows the difference that would be paid in rates in 2023/24 under the proposed policy compared to the current policy.

Property type	Urban residential			Urban commercial (shop)	Lifestyle	Rural (farm)
Land value (LV)	\$170,000	\$215,000	\$390,000	\$370,000	\$395,000	\$4.7m
Capital value (CV)	\$330,000	\$470,000	\$830,000	\$455,000	\$835,000	\$5.32m
Annual \$ change	-\$6	-\$7	-\$11	-\$19	+\$14	+\$98
Percentage change	-0.2%	-0.2%	-0.2%	-0.3%	+0.6%	+0.8%



Proposal 4: Paying for rural roads damaged by storms

The cost to the Council of repairing roads damaged by storms is not fully subsidised by Waka Kotahi. Council’s share is split between urban and rural ratepayers. Currently, urban ratepayers fund 35 per cent of the cost and rural ratepayers fund 65 per cent. The Council is proposing to reduce the share paid by urban ratepayers to 10 per cent and increase the share paid by rural ratepayers to 90 per cent.

Why is the Council suggesting this?

All of the road repairs damaged by storms have been in rural areas, so those in rural areas benefit more from this work. We are, however, mindful that urban ratepayers still access and use these roads on a less frequent basis. The Council is proposing to reduce the share paid by urban ratepayers and increase the share paid by rural ratepayers as we think this is a better reflection of where the benefit falls.

How will it impact rates?

The table below gives some examples of the impact on different property types from this proposed change. The table shows the difference that would be paid in rates in 2023/24 under the proposed policy compared to the current policy.

Property type	Urban residential			Urban commercial (shop)	Lifestyle	Rural (farm)
Land value (LV)	\$170,000	\$215,000	\$390,000	\$370,000	\$395,000	\$4.7m
Capital value (CV)	\$330,000	\$470,000	\$830,000	\$455,000	\$835,000	\$5.32m
Annual \$ change	-\$11	-\$13	-\$21	-\$36	+\$26	+\$187
Percentage change	-0.4%	-0.4%	-0.4%	-0.6%	+1.2%	+1.6%

Proposal 5: Recognising urban properties’ access to water supply and wastewater services

Treated urban water supply and an effective wastewater system are core services important for public health. They ensure the local community, economy, and environmental impact are sustainable.

A small portion of costs is funded through user charges and the rest is funded through rates. The portion funded through rates is currently paid through a combination of targeted uniform charge (TUC) and the capital value (CV) of properties in urban areas. The Council is proposing to move from a combination of 25 per cent TUC/75 per cent CV to 30 per cent TUC/70 per cent CV.

The Council is not proposing to move to water meter charging until it understands the outcome of the Three Waters Reform and a trial period of water meters in urban properties has occurred.

Why is the Council suggesting this?

All urban properties connected to the two services are charged the TUC portion to recognise they all have equal access the services. The rest is funded through a CV rate. Using CV, charges higher value properties more as they are generally larger, use more of the services, and are assumed to have more ability to pay.

The Council is proposing to increase the TUC portion to spread more of the costs evenly across all connected properties as we think this is a more equitable basis to spread the costs of the two services.

How will it impact rates?

The table below gives some examples of the impact on different property types from this proposed change. The table shows the difference that would be paid in rates in 2023/24 under the proposed policy compared to the current policy.

Property type	Urban residential			Urban commercial (shop)
Land value (LV)	\$170,000	\$215,000	\$390,000	\$370,000
Capital value (CV)	\$330,000	\$470,000	\$830,000	\$455,000
Annual \$ change	+\$30	+\$13	-\$31	-\$41
Percentage change	+1.2%	+0.4%	-0.6%	-0.7%

REO MĀORI TRANSLATION

WHAT ELSE HAS CHANGED?

Better reflecting urban growth

As mentioned earlier, when determining the share of costs, Council first splits the total amount of rates between urban and rural properties before deciding on other allocations. Currently, for services that benefit the whole district, we allocate the costs based on a population split of 77.5 per cent urban and 22.5 per cent rural. We are changing this to 79 percent urban and 21 per cent rural.

Since we last reviewed the policy, Masterton's urban population has grown at a faster rate than the rural population so we need to update the policy to reflect this. We have used the actual growth in the number of Masterton properties to determine the current share, since the latest Census data from Statistics NZ is not yet available.

How will it impact rates?

The table below gives some examples of the impact on different property types from this proposed change. The table shows the difference that would be paid in rates in 2023/24 under the proposed policy compared to the current policy.

Property type	Urban residential			Urban commercial (shop)	Lifestyle	Rural (farm)
Land value (LV)	\$170,000	\$215,000	\$390,000	\$370,000	\$395,000	\$4.7m
Capital value (CV)	\$330,000	\$470,000	\$830,000	\$455,000	\$835,000	\$5.32m
Annual \$ change	+\$22	+\$28	+\$43	+\$46	-\$70	-\$257
Percentage change	+0.9%	+0.9%	+0.9%	+0.8%	-3.2%	-2.1%



REO MĀORI TRANSLATION

OVERALL IMPACT OF PROPOSED CHANGES

After combining the effects of all the proposed changes, the overall impact is a reduction in the share of CV rates (down from 55.8 to 50.9 per cent) and an increase in the share of uniform and service charges (up from 28.0 to 32.9 per cent).

Total rates – current policy



Total rates – proposed policy



Urban share rates - current policy



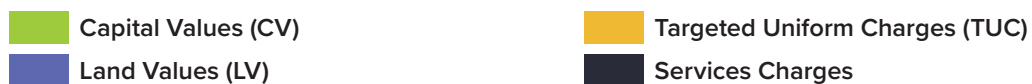
Urban share rates – proposed policy



Rural share rates – current policy



Rural share rates - proposed policy



Below is a summary of property rate movements after combining the effects of all the proposed policy changes. The table shows the difference that would be paid in rates in 2023/24 under the proposed policy compared to the current policy.

Rural examples

Property type	Lifestyle	Rural (farm)	Forestry block	Beach, Riversdale	Beach, Castlepoint
Land value (LV)	\$395,000	\$4.7m	\$1.99m	\$440,000	\$310,000
Capital value (CV)	\$835,000	\$5.32m	\$2.08m	\$700,000	\$650,000
Current policy rates	\$2,201	\$11,958	\$5,527	\$3,087	\$2,801
Community development	+\$12	-\$290	-\$72	+\$21	+\$24
Population % change	-\$70	-\$257	-\$122	-\$64	-\$62
Roading: urban/rural subsidised split	+\$14	+\$98	+\$45	+\$15	+\$12
Roading: urban/rural storm damage split	+\$26	+\$187	+\$86	+\$27	+\$23
Proposed total rate change	-\$18	-\$261	-\$63	-\$1	-\$3
Proposed policy rates	\$2,182	\$11,697	\$5,464	\$3,085	\$2,798

Urban residential examples

Property type	Low value urban residential	Medium value urban residential	High value urban residential	Unit in Holdsworth Village	Small, inner CBD
LV	\$170,000	\$215,000	\$390,000	\$142,000	\$265,000
CV	\$330,000	\$470,000	\$830,000	\$400,000	\$530,000
Current policy rates	\$2,532	\$3,181	\$4,938	\$2,782	\$3,504
Community development	+\$40	+\$14	-\$52	+\$27	+\$3
Population % change	+\$22	+\$28	+\$43	+\$25	+\$30
Roading: urban/rural subsidised split	-\$6	-\$7	-\$11	-\$5	-\$8
Roading: urban/rural storm damage split	-\$11	-\$13	-\$21	-\$10	-\$15
Urban water supply	+\$11	+\$5	-\$12	+\$8	+\$2
Urban wastewater	+\$19	+\$8	-\$19	+\$14	+\$4
Proposed total rate change	+\$75	+\$35	-\$72	+\$58	+\$16
Proposed policy rates	\$2,606	\$3,216	\$4,866	\$2,841	\$3,520

Urban commercial examples

Property type	Median commercial (shop)	Industrial	CBD Building	Service Station	Supermarket
LV	\$370,000	\$390,000	\$2.11m	\$1.09m	\$3.50m
CV	\$455,000	\$2.20m	\$4.86m	\$1.60m	\$10.50m
Current policy rates	\$5,783	\$20,390	\$47,600	\$17,436	\$98,690
Community development	-\$66	-\$709	-\$1,688	-\$488	-\$3,764
Population % change	+\$46	+\$192	+\$415	+\$142	+\$887
Roading: urban/rural subsidised split	-\$19	-\$20	-\$100	-\$52	-\$164
Roading: urban/rural storm damage split	-\$36	-\$37	-\$184	-\$97	-\$303
Urban water supply	-\$16	-\$175	-\$419	-\$120	-\$934
Urban wastewater	-\$25	-\$289	-\$692	-\$198	-\$1,547
Proposed total rate change	-\$166	-\$1,039	-\$2,668	-\$814	-\$5,826
Proposed policy rates	\$5,667	\$19,352	\$44,932	\$16,621	\$92,865



REO MĀORI TRANSLATION

WHAT ELSE HAS BEEN CONSIDERED?

Increasing rural roading rates for forestry owners

We have heard from some parts of the community that logging trucks are having a negative impact on our rural roads and so forestry owners should pay a greater share of the rural roading rates. The Council is working hard to understand the extent of the perceived problem and whether it is appropriate to address this through the rating system.

The Council has begun initial investigations, but more work is needed to ensure it makes a good, robust decision. If our investigations show we can introduce a change, we will seek your feedback next year before it is implemented.

Rates for business, commercial and industrial properties

A non-residential urban property (e.g. a business, commercial or industrial property) currently pays twice what a residential property of the same value would pay for services rated on a LV or CV basis. This is called a “differential” of 2.0.

Based on feedback from some parts of the community, the Council considered whether this should be amended but we are proposing to keep it the same. We think this is appropriate because:

- these properties generally generate more foot and road traffic and greater use of other services (e.g. water) due to customers and clients that visit them
- the owners benefit more from economic development spending, stormwater systems in the CBD, transport, car parks, attractions such as parks, public toilets and other facilities, which helps the owners earn revenue from these properties. Much of the Council spending makes Masterton a desirable place to live and visit and businesses benefit from that
- our approach aligns with other districts of a similar size.

Urban residential ratepayers with high value properties

Most urban residential ratepayers pay between \$2,000 - \$4,000 in rates each year, however a small portion with high value properties pay more, including some over \$6,000. We have had feedback from some of these ratepayers that their rates are too high.

Council considered whether it needed to amend its policy to address these concerns (e.g. by introducing a cap) but isn't proposing to do so. While Council acknowledges that rates are higher for some, the spread of rates is the result of all the decisions made about the best way to divide the rates up among the community. Introducing a cap would artificially lower the rates for these properties which would then need to be picked up by other ratepayers.

However, through this review Council has considered how to fund all its activities. As a result, these property owners should see some relief through the combined effects of the proposed policy which reduces the share of urban residential rates funded based on the LV and CV from 71.1 per cent to 66.1 per cent.

Remission and postponement of rates

As part of the review, we looked at our rates remission and postponement policies.

Council is not proposing any changes to its general Rates Remission or Rates Postponement policies. We are currently reviewing the Remissions and Postponement of Rates on Māori Freehold Land Policy to ensure it complies with recent legislative changes and intend to consult on any proposed changes as part of the 2024-34 Long Term Plan process.

The existing policies are available for viewing on the Council website at: <https://www.mstn.govt.nz/council/policies-and-bylaws/policies>





How you can have your say

The Council is inviting feedback from the community from Friday 20 October 2023 through to Monday 20 November 2023.



Complete our online submission form at: mstn.govt.nz (aprox 3-5mins)



Download a fillable pdf submission form and email to: submissions@mstn.govt.nz



Phone us on 06 370 6300 between 9am and 4:30pm Monday to Friday (excluding public holidays).



Pick up a submission form from the Masterton District Library or Customer Service Centre at 161 Queen Street. You can also print out our printer-friendly form from the website. Post it to Masterton District Council, PO Box 444, Masterton 5840, or drop it off to our Customer Service Centre.

Hearing

For those wanting to present their views to the Council, a hearing will be held on Wednesday 29 November 2023. You will need to indicate on your submission form that you would like to attend the hearing.

Submissions close 4pm Monday 20 November 2023

Further Information

Our proposed Revenue and Financing Policy and supporting information can be found on our website. Visit: mstn.govt.nz.

What happens next?

Following the October/November 2023 consultation period and hearing, all feedback will be considered by the Council at a deliberations meeting in December prior to the Council adopting a draft policy.

In early 2024, the Council will review any impacts of updated property revaluations (due from QV in early December 2023) on the draft policy before adopting a final policy as part of the 2024-34 Long Term Plan to take effect from 1 July 2024.



Phone

06 370 6300 - 8am to 5pm except Tuesdays 9am to 5pm
06 378 7752 after hours

Email

mdc@mstn.govt.nz

Call into

Masterton District Council
161 Queen Street, Masterton
9am - 4pm

Write to

Masterton District Council
PO Box 444, Masterton 5840
www.mstn.govt.nz

REVENUE AND FINANCING POLICY REVIEW: SUBMISSION FORM

This submission form allows you to give feedback on the proposed Masterton District Council Revenue and Financing Policy. The estimated time to complete is between 3-5 minutes. You can make a submission in a number of ways:

Online - Complete the submission form online at: www.mstn.govt.nz

Paper copy - If you don't have access to the internet or prefer a paper copy you can complete this submission form and:

- email it to us at submissions@mstn.govt.nz
- post to Masterton District Council, Freepost 112477, PO Box 444, Masterton 5840
- hand deliver to our Customer Service Centre, 161 Queen Street, Masterton

Over the phone - Phone our team on 06 370 6300 and tell them what you think. They will record your views.

Please provide your feedback by 4pm Monday 20 November 2023. For more information please refer to our Revenue and Financing Policy Review Consultation Document available on our website: www.mstn.govt.nz

Privacy Statement

What We Do With Your Personal Information

All submissions will be made available to the public via the Masterton District Council website. Your name, organisation (if applicable) and feedback will be included in public documents. All other personal details provided will remain private. If you have extenuating circumstances, please contact us prior to the submission closure date to request that your name be withheld.

The Privacy Act 2020 applies when we collect personal details. Any details that are collected will only be used for the purposes stated. You have the right to access and correct any personal information we hold.

Further information is available by searching Masterton District Council Submission Policy on our website: www.mstn.govt.nz

Tell us what you
think by 4pm Monday
20 November 2023

Your Details

Full name

Organisation (if applicable)

Postal address.....

.....

Phone..... Email.....

Hearing

The Council will hold a hearing on 29 November 2023 for those wanting to present their views in person. This means that you get approximately 5-10 minutes to present your feedback to elected members in person or via Zoom online.

Would you like to present your views at the hearing?

If yes, please make sure your contact details in the previous section were answered correctly so that we can get in touch.

- Yes (in person) Yes (via Teams) No

About You

These questions help us understand which parts of the community are providing feedback. Your responses will not be made public with your submission. Only collated data will be reported to Council.

What is your age range?

- Under 20 20-29 30-39 40-49 50-59 60-64 65+

What is your ethnicity? (you may tick multiple boxes)

- Māori NZ European Pākehā Pacific Peoples Asian Other.....

What is your gender?

- Male Female Non-binary Prefer not to answer I refer to myself as

Do you live with impairments/long term health conditions or, do you identify as tāngata whaikaha/disabled?

- Yes No Prefer not to answer

Your thoughts

We want to know what you think about our proposed changes

Proposal 1: Maximising our user fees while ensuring they are fair and achievable

Do you support the Council's proposed approach to increase the amount paid by users of a service wherever possible to better reflect who benefits the most from the service?

- Yes No Prefer not to answer

Do you support the Council's proposal to recognise the wider benefit of animal control activities by changing the share of costs to 70 per cent dog owners/30 per cent wider community (currently 85 per cent dog owners/15 per cent wider community)?

- Yes – change the share of costs to 70% dog owners/30% wider community
 No – keep the share of costs as 85% dog owners/15% wider community
 Not sure

Comments

.....

Proposal 2: Recognising Community Development benefits everyone

Do you support the Council's proposal to change the rates for community development activities to a targeted uniform charge (this is currently a CV rate)?

- Yes – change to a TUC No – keep as a CV rate Not sure

Comments

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Proposal 3: Realigning our allocation of roading costs between urban and rural areas

Do you support the Council's proposal to change the allocation of subsidised roading rates to 30 per cent urban/70 per cent rural (currently 31 per cent/69 per cent)?

- Yes – change to 30% urban / 70% rural No – keep as 31% urban / 69% rural Not sure

Comments

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Proposal 4: Paying for rural roads damaged by storms

Do you support the Council’s proposal to change the share of storm damage road repairs to 10 per cent urban / 90 per cent rural (currently 35 per cent/65 per cent)?

- Yes – change to 10% urban/90% rural No – keep as 35% urban/65% rural Not sure

Comments

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Proposal 5: Recognising urban properties’ access to water supply and wastewater

Do you support the Council’s proposal to move to a combination of 35 per cent TUC/65 per cent CV for urban water supply and wastewater (currently 25 per cent TUC/75 per cent CV)?

- Yes – change to 35% TUC/65% CV No – keep as 25% TUC/ 75% CV Not sure

Comments

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The Council needs to update the allocation for services that benefit the whole district to 79 per cent urban/21 per cent rural (from 77.5 per cent urban/22.5 per cent rural) to adjust for urban growth.

Do you have any feedback on our change to reflect urban growth?

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Is there anything else you would like to note as part of your feedback?

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DRAFT - REVENUE AND FINANCING POLICY - KAUPAPAHERE Ā-PŪTEA

The draft policy will be updated to the current policy template and style when finalised.



[Insert approval date]

DRAFT

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DRAFT

Adopted by:	[insert relevant Council/s and/or Council Committee meeting where it was adopted/approved]
Date of Approval:	xx/xx/xx
Policy Number:	MDC003
Review Date:	xx/xx/xx

INTRODUCTION

Set out on the following pages is the Council’s Revenue & Financing Policy, which has been developed pursuant to the requirements of the Local Government Act 2002. The Policy was scheduled to be reviewed prior to the 2021-31 Long Term Plan (LTP), but due to the impacts of the COVID-19 lockdowns and recovery period through much of 2020, the review was not able to be completed. A full policy review and consultation process is now being completed prior to the commencement of the 2024-34 LTP.

The basis of the current policy has evolved over 26 years and was first adopted (as the Funding Policy) following public consultation in 1997. It has been reviewed, refined and revised by the Council every three years since then, (apart from in 2021). Reviews are completed using the principles outlined in the Local Government Act (sec 101(3) and 103). Any changes have been implemented following the consultation processes of the long term plans and annual plans when the changes were made. The current policy as set out here is part of the supporting information to the 2024-34 Long Term Plan and is subject to public consultation as part of that Plan.

There have been minor changes made to cost allocation bases where costs are split between urban and rural properties. The population percentage split has moved slightly and the subsidised roading cost allocation percentage has also changed to remain in line with the policy of allocating the value of subsidised roading work planned on the ratio of the programme spend. The Community Development activity is proposed to be funded by way of the Targeted Uniform Charge (previously it was a CV rate). The impact of these changes are noted below.

PURPOSE

The Council provides a range of services to the people who reside in the Masterton District. The Council budgets for the cost of providing those services and this Policy sets out where the revenue will come from to pay for those services.

Revenue comes from a number of external sources, including Waka Kotahi (NZ Transport Agency NZTA) roading subsidies and user charges for some services. Many of the Council services have a public good component where no equitable charge can be made based on usage. The Council has the ability within the Local Government (Rating) Act to charge property rates to recover the cost of those services. This policy sets out the basis on which those property rates are set.

RATING BASE

Listed below are the population, property and valuation figures of the District. These are key to the way the rates required are divided up amongst properties.

Population (usually resident – Statistics NZ census data 2018adjusted for growth)

Masterton Rural	6,090	21%
Urban	22,800	79%
	28,970	(9.8% increase over 5 years since the 2018 census)

Area 229,500 ha (urban area = 1,796 ha)

Separately Rateable Units 2023/24

Rural 4,091

Urban	9,324
Total	13,415

Rating Valuation Totals (effective June 2023*)

Land value	Rural	\$2,648 million
	Urban	\$2,129 million
	Total	\$4,777 million
Capital value	Rural	\$4,033 million
	Urban	\$4,942 million
	Total	\$8,975 million

*Subject to change from 2023 revaluation, effective September 2023, due in December 2023

POLICY REVIEW

Section 101(3)

As part of the development of the 2024-34 LTP, the Council considered the funding of each of 40 sub-activities in the context of the requirements of sections 101(3) of the Local Government Act 2020. Consideration has been given to the community outcomes to which the activity relates, whether any user pays principles should be applied, whether intergenerational equity is a factor in funding, if an exacerbator pays principle applies and the costs and benefits of funding the activity distinctly.

A second step was then applied – the consideration of the effects of applying the theoretical funding policies of step one, with the ability to modify for reasons of fairness, legality and practicality. The process has sought to apply economic principles of matching the costs of a service with the beneficiaries of a service, then modifying the allocation where appropriate, and choosing the funding mechanism that best suits the Council’s analysis. Where services can be identified as having a direct private benefit and a recovery means is economic, user charges have been set to recover the value of that benefit. A summary of this analysis is available as a separate document (See Attachment 1 – Funding Policy Sec 101(3) Consideration.)

External Revenue

Where it can, the Council will look to recover costs from users of a service via user charges. The Council will look to maximise its external revenue including from central Government funding such as Waka Kotahi (NZTA) subsidies, local petrol tax and the waste levy. After external revenue, Council uses borrowing to fund specific capital projects and Council reserves/depreciation funding, the balance of the funding comes from the ability of Council to charge property rates to fund its services. It is the allocation of these rates across properties in the District which forms the basis of a large part of the Revenue and Financing Policy.

In the Activity Statements section of the LTP, there are tables which show clearly the costs and sources of funding for each activity. User fees & charges have been reviewed in all areas of Council activities and a number of changes are proposed in order to maintain relativity between user charge funding and rates in an inflationary environment where Council’s costs are increasing. Those changes to the fees & charges are subject to consultation as part of the 2024/34 LTP.

Some specific examples of proposed changes to external revenue include:

- Regulatory Fees and Charges - user charge fees in the regulatory area will increase to maintain alignment with the policy split between rates funding and user charges
- Animal Services - will be funded 70% by fees and charges and 30% from rates.
- Senior Housing - the Council will continue to gradually increase rents with a goal to increase the percentage of this activity paid by users and reduce the amount of contributions from other ratepayers to no more than 10% of total costs.

Rating Policy

The rating policy is based on the following principles:

- The rates required for each service are first allocated between urban and rural properties using a range of allocation bases
- Targeted rates are set in the urban and rural areas. No 'General Rate' is applied across all properties in the District
- For those costs that are applied across the district, an effective differential is achieved using the urban/rural allocations
- Allocation bases include the current population split, the targeted area in which the service is available and (for subsidised roading) the locality of programmed expenditure.

A rating revaluation was completed in 2020 and another will be completed in late 2023 and will be applied in the 2024/25 year. It is not yet known if any policy changes will be made in response to the impacts of the revaluation. The increases in values are likely to vary widely and may result in large variability of rates payable. There will be properties who receive a smaller share of the overall rates required (i.e. their rates decrease) because their value increased less than the average value change. Conversely, many properties will have rates increases above the average as their value change has been above the average increase.

See further discussion in the Rating Valuation section.

Rating Policy Changes Discussion

There have been minor changes to the Rating Policy and new data for allocation bases has resulted in changes to the allocations as per below.

1. **Urban/Rural population** – the latest census data for population by mesh block is not currently available. The 2018 census data showed a split of the population between urban 77.5% and rural 22.5%. Based on the Council's knowledge of additional properties built since the last census, the population split is now considered to be 79% urban and 21% rural. This population allocation is applied to approximately 43% of the rates required. The change will result in approximately \$310k more rates allocated to urban properties.
2. **Subsidised Roothing** - a change will be applied in the allocation of costs between urban and rural properties, to be consistent with the policy of using locality of expenditure. Over the first three years of the LTP an average of 30% of the subsidised roading programme will be spent in the urban area (excluding the Town Centre revamp work). Conversely 70% will be spent in the rural area of the district. The previous split was 31%/69%. The new split of 30%/70% urban/rural is proposed to apply from 2024/25. The new allocation sees approximately \$76k moved from urban property rating to rural property rating. The resulting overall increase is 0.21% more rates for rural properties than if the revised allocation percentages were not applied.
3. **Storm damage to roading** – The Council's share of costs to repair storm damage to roads has previously been split 65% to rural ratepayers and 35% to urban ratepayers. As

all these road repairs are on rural roads, Council has agreed to adjust this ratio to 90% rural and 10% urban, recognising that urban ratepayers use rural roads on a less frequent basis.

4. **Urban water and wastewater** – The portion of urban water and wastewater funded by rates has previously been charged to ratepayers by a combination of targeted uniform charge (TUC) and capital value rates. The ratio has been 25% TUC and 75% CV rate. The Council has decided to move this ratio to 30% TUC and 70% CV rate.
5. **Community development** – Community development activities were previously funded by a CV rate for urban properties. The Council have decided to change this to be funded as part of the Targeted Uniform Charge (TUC) for both urban and rural properties.

Rating Valuations

Current rating policy includes some 72% of the rates required being allocated based on property values (land value and capital value). The values are assessed by Quotable Value NZ Ltd and the 3- yearly revaluation process is subject to audit by the Office of the Valuer General. The balance of the rates are allocated via targeted charges.

The 2020 revaluation resulted in significant value increases for urban residential properties, with higher percentage changes on lower to average value properties. Capital value increases for urban residential properties averaged 47% since the last revaluation, but many low value properties saw increases of between 50% and 80%. Higher value residential properties had lower percentage increases while commercial properties also had increases below the urban average. In the rural area, lifestyle and beach properties lifted in value by more than farm and forestry use properties.

The 2023 valuation figures are not yet available but are expected in December 2023. These new values will be applied as part of the next LTP and further consideration of the rating allocations will be carried out once the new valuations are available.

Applying the new values will result in a greater share of rates being paid by those properties that have had valuation changes above the average change. There is often a large amount of variability in the valuations and it is difficult to generalise the outcome.

When the revaluation is available we will model the impacts and include a list of sample properties. As part of the LTP consultation material, an on-line rates calculator will be available to assist ratepayers to assess how much they will pay in Masterton District Council rates in 2024/25 as a result of the policy changes, new budgets and new valuations. (To be added once revaluations are available).

2024/25 Impacts – To Be completed once Budget 2024/25 is completed

The Council's 2024/25 rates required is x% more than the prior year (before growth). Growth in property numbers and rateable values since June 2023 is projected to reduce the average increase to x%. That increase will vary between urban and rural properties as the rates required for the subsidised roading programme make up x% of the increase and the rural share of that activity is higher.

Overall, the 2024/25 budget changes result in an average x% increase (after growth) for urban properties and an average of x% increase (after growth) for rural properties. Some x% of the rural increase is due to the increased spending on subsidised roading.

After combining the effects of the small allocation changes (noted above), the rating revaluations and the 2024/25 proposed rates required (average x% after growth in the rating base):

- Urban residential properties will pay (on average) increased rates of x% due to the Council's rates requirement increasing, before the effects of revaluations.
- Large variations will result where valuation changes vary away from the average changes.
- Rural farm properties can expect increases averaging x%, plus or minus the effects of the revaluation. Rural lifestyle properties can expect to pay x% more and have had valuation increases above the rural average, so can expect additional increases of up to x more
- Beach properties can expect increases of between x% and x%, but large variations as a result of valuation increases will see larger increases for many.

While considering its Revenue and Funding Policy, the Council has been aware of some of the effects of valuation changes, particularly as they affect low value residential properties, but has decided not to implement any policy changes as a response to the valuation changes.

POLICY CHANGES SUMMARY

There are no further policy changes to note, other than the five changes described above.

USER PAYS

The Revenue & Financing Policy review identified some changes to the level of user charges compared to with the previous policy. Each Activity Statement in the LTP contains a statement of how the activity will be funded. Where the Council's analysis of the degree of private good can be applied (i.e. requiring those individuals who receive a service, pay directly for all or some portion of the service), then user-pays is the initial funding source.

The following areas are the key sources of user charges and external revenue needed to meet the policy targets:

- Resource consent fees
- Building consent fees (including plumbing & drainage fees)
- Sports field charges and rents
- Property rents
- Mawley Holiday Park revenue
- Airport landing fees and leases
- Parking meter fees and fines
- Dog registration fees (70% from dog owners)
- Refuse transfer station & composting user charges
- Waste levy
- Refuse collection recoveries (via bag sales)
- Hall hireage income
- Water & sewer connection recoveries
- Water meter charges (outside urban boundary)
- Trade waste charges
- Roading subsidies (from NZ Transport Authority)

- Local petrol tax
- Cost recovery charges (e.g. GWRC rates collection, CDC & SWDC shared services)

OVERALL MIX OF RATES TYPES

The prior year (2023/24) Rating Policy mix can be summarised in the table below:

Rates Type	Urban	Rural
Targeted Uniform Charges*	15.6%	35.0%
Service Charges	9.7%	6.0%
Land Value Rates	9.8%	35.1%
Capital Value Rates	64.9%	23.9%

The differential on value-based rates on urban non-residential properties = 2 times.

*Overall % of targeted uniform charges to total rates 20.4%

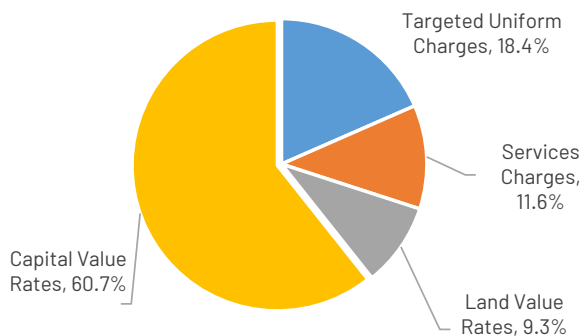
After incorporating the changes noted in the commentary above, the rating mix for the 2023/24 year is summarised as follows (subject to roundings):

Rates Type	Urban	Rural
Targeted Uniform Charges*	18.4%	36.9%
Service Charges	11.6%	6.0%
Land Value Rates	9.3%	36.7%
Capital Value Rates	60.7%	20.3%

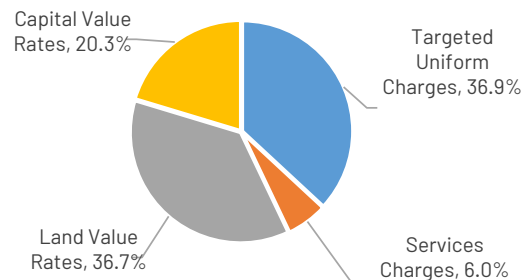
The differential on value-based rates on urban non-residential properties = 2 times

*The overall percentage of targeted uniform charges to total rates is 22.9%

Proposed Policy - 2023/24
URBAN RATES \$36.2m (incl GST)



Proposed Policy - 2023/24
RURAL RATES \$11.5m (incl GST)



TARGETED RATES, UNIFORM & SERVICES CHARGES

The Council will continue having no 'General Rate', instead using targeted rates and targeted uniform charges for urban and rural properties to fund the costs of services allocated to those areas. In addition, targeted services charges will be used to charge properties connected or able to receive a specific service.

	Urban	Rural
Targeted Rates (differentiated between urban/rural properties based on cost allocations)		
- Targeted Land Value (roading) rate	✓	✓
- Targeted LV water rates		✓
- Targeted Capital Value rates	✓	✓
Targeted Uniform Charges (differentiated between urban/rural properties based on cost)		
- Targeted Uniform Charge	✓	✓
- Targeted Roading Charge	✓	✓
Other Targeted Services Charges		
- Urban Water Supply Charge	✓	
- Urban Wastewater System Charge	✓	
- Recycling Collection Charge	✓	✓*
- Wastewater Treatment Charge**		✓
- Castlepoint Sewerage Charge		✓
- Riversdale Beach Sewerage Charge (connected)		✓
- Riversdale Beach Sewerage Charge (serviceable)		✓
- Beach (Refuse & Recycling) Collections Charge		✓
- Tinui Water Supply Charge		✓
- Tinui Sewerage Charge		✓

* Charged in the rural periphery where the Council is prepared to offer the collection service.

** This charge will apply to those properties, particularly on the urban periphery, where septic tank overflow is piped into the urban sewer network. It is applied on a 'residential equivalents (RE)' basis where one RE equals 600 cubic metres of liquid effluent per day.

The general effect of the targeted charges is to reduce the component of either land or capital value rates on the higher value properties and raise the minimum level of rates for lower value properties. The Local Government (Rating) Act 2002 places a restriction of 30% maximum of Uniform General Charges to total rates income. Although there are no Uniform Annual General Charges in Masterton's rating policy, the targeted uniform and roading charges can be considered equivalent. These amount to 20.4% of overall rates using the new allocations for the 2023/24 budget. Policy changes here see that moving to 22.9% before any other changes.

URBAN DIFFERENTIAL – NON-RESIDENTIAL

The Council has determined that, in general, public services provide more benefits to the urban non-residential sector (i.e. commercial) than to residential. The effect of the high percentage of uniform and services charges is recognised as regressive - it reduces the impact on higher valued properties. A multiplier of 2.0 will be applied on each of the separate and targeted rates assessed on land and capital values. The multiplier of 2.0 was considered as part of the review and is still considered to be appropriate

URBAN/RURAL ALLOCATION BASIS

The tables on the two pages which follow summarise both the urban/rural split of the rating incidence and the proposed rate types to fund the activities. The allocation between urban and rural rating areas is clear where the area of benefit for a service can be confined to one rating area (e.g. water supplies, wastewater systems). Other services that benefit the whole district have been split between areas by a population-based criterion, a valuation-based criterion or an estimate of where the benefit falls.

The allocation of rates between the two rating areas has been modified by the Council from that of a pure number of properties approach or a pure valuation-based approach. The relationships between the urban and rural areas are relevant where there is an overlap in the areas of benefit, or where the use of the service cannot be limited to specific areas. The Council’s intention is to allocate costs based on reflecting usage of, or access to, Council services.

The Council has taken into account the following ratios:

	Urban	Rural
Population	79.0% (22,800)	21.0% (6,090)

The allocation ratios have been applied as follows:

Population – 79 : 21 (urban:rural). For services where the funding policy suggests the areas of benefit relate to significant levels of private benefit but are not met by user charges or are services with the demands being relevant to people-based services, rather than property-based services, the population ratio has been selected as the most appropriate method of allocation between properties.

Services allocated via population include:

- Regulatory services
- Emergency management/civil defence
- Archive, airport, forestry
- Waste minimisation
- Community development
- Economic development
- District building & other property
- Representation
- Cemeteries
- Public conveniences
- Refuse transfer station & recycling
- Parks & recreation
- Library
- Sports fields
- Arts & culture

Land Value – 44 : 56 (urban:rural) & Capital Value – 55 : 45 (urban:rural) While no district-wide services are allocated between the urban and rural rating areas on the basis of district wide land or capital value, the ratios are shown for comparison purposes.

Subsidised Roading – 30 : 70 (urban:rural) This reflects where the subsidised roading programme expenditure is expected to be spent in the coming three years, split between areas. This ratio may be subject to change outside of the LTP years, if roading expenditure varies from the LTP in any subsequent Annual Plan.

Solid Waste – 79 : 21 (urban:rural) Used for the allocation of the residual cost of solid waste management (after user pays income) - Nursery Road transfer station, recycling and composting. This allocation recognises that all residents have equal access to the solid waste services that are being funded by way of general rates, and that rural people will use and therefore benefit from the services at Nursery Road.

Solid Waste (rural) – 10 : 90 (urban:rural) For the allocation of rural waste management costs (rural transfer stations) recognising that rural ratepayers will be paying a share of Nursery Road

operating costs, so urban carries a share of rural costs. A targeted rate on beach properties recovering a proportion of waste collection costs reduces the share carried by all other rural properties.

Rural Halls – 5 : 95 (urban:rural) For the allocation of the costs of rural halls and holding paddocks, recognising some 'district benefit' in the Council supplying these facilities.

FUNDING OF CAPITAL EXPENDITURE

The Council’s policy with regard to the funding of capital expenditure is to:

- Fund roading renewal expenditure from Waka Kotahi (NZTA) subsidies and annual rates
- Fund other replacement assets from depreciation reserve funds to the extent that those funds are available. Where depreciation reserves are insufficient, loan funding may be used
- Fund assets which increase levels of service by borrowing/loans
- Fund assets needed because of growth, from developers, either by the developer providing the infrastructure or by them making financial contributions at the outset of the development.

REVIEW OF POLICY

This policy will be reviewed every three years as part of the Long-Term Plan process.

REFERENCES

Local Government Act 2002

VERSION CONTROL

Date	Summary of Amendments	Approved By
2023	Draft 1	

	Proposed New Funding Policy		Proposed funding split		Proposed Rating Tools	
	Community	User	Urban	Rural	Urban	Rural
	Airport/Hood	40%	60%	79.0%	21.0%	CV
Animal control	30%	70%	79.0%	21.0%	TUC	TUC
Archive	95%	5%	79.0%	21.0%	TUC	TUC
Arts & Culture	100%	0%	79.0%	21.0%	CV	CV
Building Services	20%	80%	79.0%	21.0%	CV	CV
Cemeteries	35%	65%	79.0%	21.0%	CV	TUC
Community Development	85%	15%	79.0%	21.0%	TUC	TUC
District Buildings	35%	65%	79.0%	21.0%	CV	CV
Economic Development	100%	0%	79.0%	21.0%	CV	CV
Emergency Management	72%	28%	79.0%	21.0%	CV	CV
Environmental Health	50%	50%	79.0%	21.0%	CV	CV
Environmental Initiatives	100%	0%	79.0%	21.0%	CV	CV
Forestry	40%	60%	79.0%	21.0%	TUC	TUC
Housing for Elderly	10%	63%	79.0%	21.0%	CV	CV
Library	95%	5%	79.0%	21.0%	TUC	TUC
Mawley Park	20%	80%	79.0%	21.0%	CV	CV
Other property	35%	65%	79.0%	21.0%	CV	CV
Other rural water services	85%	15%	0.0%	100.0%	n/a	CV
Parking Control	0%	100%	n/a	n/a	n/a	n/a
Parks, Reserves & Sportsfields	95%	5%	79.0%	21.0%	CV	TUC
Public Toilets	100%	0%	79.0%	21.0%	CV	CV
Recreation Centre	80%	7%	79.0%	21.0%	TUC	TUC
Recycling & composting	35%	65%	79.0%	21.0%	CV	CV
Recycling curbside collection	100%	0%	100.0%	0.0%	TUC	n/a
Refuse collection	30%	70%	100.0%	0.0%	CV	CV
Refuse disposal	0%	100%	79.0%	21.0%	CV	CV
Resource consents & planning	70%	30%	79.0%	21.0%	CV	CV
Roading - storm damage	24%	76%	10.0%	90.0%	30% TUC, 70% LV	30% TUC, 70% LV

Last Updated: xx

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	Proposed New Funding Policy		Proposed funding split		Proposed Rating Tools	
	Community	User	Urban	Rural	Urban	Rural
						30% TUC, 70% LV
Roading - subsidised	44%	56%	30.0%	70.0%	LV	30% TUC, 70% LV
Roading - non-subsidised rural	100%	0%	0.0%	100.0%	n/a	30% TUC, 70% LV
Roading - non-subsidised urban	100%	0%	100.0%	0.0%	30% TUC, 70% LV	n/a
Rural halls	99%	1%	5.0%	95.0%	CV	CV
Rural refuse	85%	15%	10.0%	90.0%	CV	TUC/Targeted beach chge
Stormwater	100%	0%	100.0%	0.0%	CV	n/a
Wastewater - Castlepoint	0%	100%	0.0%	100.0%	n/a	Targeted charge
Wastewater - Riversdale Beach	0%	100%	0.0%	100.0%	n/a	Targeted charge
Wastewater - Tinui	50%	50%	0.0%	100.0%	n/a	Targeted charge/CV
Wastewater - Urban	90%	10%	100.0%	0.0%	30% TUC, 70% CV	n/a
Water supplies - Rural	20%	80%	0.0%	100.0%	n/a	Targeted charge/CV
Water supply - Urban	90%	10%	100.0%	0.0%	30% TUC, 70% CV	n/a

Masterton District Council

2024-34 Draft Long Term Plan

Section 101(3) Analysis - consideration of appropriate sources of funding.

The following analysis has been prepared as summary record of the consideration given by the Council while reviewing the Revenue & Financing Policy for inclusion with the **2024-34 Long Term Plan**.

Activity	Who Benefits and how should it be funded	Allocation of Cost
Subsidised Rooding	<p>The Council provides a network of roads throughout the District. Public benefits arise through the provision of the essential infrastructure for the local economy and community to function. Private benefits accrue to individual road users and the properties that the roading network services. Those properties may be residences, businesses, farms, beach baches, schools, etc. Exacerbators include heavy transport operators who carry tonnages in excess of road design or road condition limits.</p> <p>All motorists currently pay fuel taxes and vehicle registration fees to the government. Truck operators pay road user charges. Council receives a share of this funding via a subsidy from Waka Kotahi (NZ Transport Agency). Local petrol taxes also contribute to the funding of this activity.</p> <p>For the Council share, the District-wide roading network should be funded by general rates levied on all properties and split between urban and rural properties to recognise the different expenditure levels in each area. Land values (as opposed to Capital Values) reflect the benefits that arise from the road network, linking to productive use of the land that the roading network serves eg in the rural area, farming and forestry.</p> <p>Renewals are done as part of the roading programme approved to ensure the maximum Waka Kotahi subsidy is achieved and so are funded by both subsidy and rates. Asset additions (e.g. safety improvements) are done as part of the subsidised programme if possible, but if it does not qualify for subsidy, direct beneficiaries of the upgrade</p>	<p>The Waka Kotahi subsidy base rate is 56%.</p> <p>The current Land Value split between urban and rural areas is 45/55 (urban/rural) excluding the non-residential differential. The average ratio of spending of the subsidised programme (excluding emergency works) for the last two years 2021-23 and budget 2023- 24 is 30/70 (previously 31/69).</p> <p>Use of a General Rate would need a differential applied between the two rating areas to ensure equity. To ensure rural ratepayers are paying a fair share of the cost of the service being provided, the costs will be allocated 30/70 between rating areas (urban/rural) before rating tools are selected.</p> <p>The Council has chosen to recognise the broad public benefit of the roading network by allocating 30% of the rates required to fund the costs of subsidised roading in each area, by way of a targeted uniform charge in each area. The balance of 70% to be funded within each area, charged by way of a differential targeted rate assessed on land value (LV).</p> <p>After targeted uniform charges spread 30% of the costs, LV is considered the best of the available tools to allocate roading costs between properties. A property's land value, particularly in the rural area, bears some relationship to the economic benefit which is derived from the roading network.</p> <p>It is also recognised that LV for forestry-use land does not adequately act as a proxy for the use or consumption of the</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>should pay the equivalent of the subsidy (eg seal extension)</p> <p>The Council’s share of depreciation on bridges is allocated against this activity.</p>	<p>rural roading network by that particular land use (ie it is discounted below pastoral farming land values).</p> <p>The Council has begun initial investigations to demonstrate evidence of the impact that forestry logging has on our rural roads. If justified, Council will look at implementing changes to the rating policy mechanism for forestry land use in 2025.</p>
<p>Non-Subsidised Rooding – Rural & Flood Damage</p>	<p>The non-subsidised roading costs that are specific to the rural area are a benefit to ratepayers in that area, so should be allocated in full to the rural area – 100% rural.</p> <p>Flood/storm damage costs (on the roading network) have been incurred in the rural area, but all road users can use the roads, justifying some urban rates contribution.</p>	<p>The Rural Non-subsidised Rooding rates required are allocated on the same basis as the rural area share above, i.e. split between a (rural) targeted Rooding Charge (currently collecting 30%) and (rural) LV Rooding rate (70%).</p> <p>Rooding storm damage is to be funded 10% from urban Rooding rates and 90% from rural Rooding rates, then allocated as per above.</p>
<p>Non-Subsidised Rooding – Urban</p>	<p>The non-subsidised roading costs include street verge mowing, street gardens, CBD footpaths and street trees. There is a large element of ‘public good’ - all ratepayers can use and enjoy the assets/services. They are provided within the urban area but are available to all residents and visitors. Past practice has been all costs are allocated to the urban area. A share of local petrol taxes are allocated to offset costs, but rates will be the principle source of funding.</p> <p>Renewals of assets such as CBD paving and street furniture are funded via a depreciation reserve that is funded by annual rates from this activity</p>	<p>To follow through on the principle used above, the costs incurred in the rating area (urban area) will be funded 100% from the urban area and collected via the targeted Rooding Rate based on LV for 70% and a targeted Rooding Charge 30%.</p>
<p>Urban Water Supply</p>	<p>A treated and reticulated water supply contributes to public health and fire safety. It is one of the core services that ensure the local community and economy are sustainable.</p> <p>Private benefits arise to the consumers of the water.</p> <p>Council does have water meters installed for 95% of urban properties connected to the water supply network.</p>	<p>The funding requirement, after deducting income from rural metered properties and properties in the Waingawa industrial area (in Carterton District), will be allocated by way of:</p> <ul style="list-style-type: none"> • 30% as a Targeted Charge for Water, levied on each connected and separately used or inhabited portion of a property. This has the effect of spreading a portion the cost of

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>At this stage, these are not being used for charging on the basis of usage, but information provided is being used to detect and remedy leaks. Water meter charges will not be introduced prior to the move to the new Affordable Waters entity – currently expected before 2026.</p> <p>Many commercial properties utilise larger lateral connections in order to service sprinkler systems and reduce insurance premiums. Their usage may not reflect the benefit that the fire fighting capacity provides.</p> <p>Those connected properties outside the urban area do generally have water meters and are charged based on usage. Properties connected in the Waingawa area of Carterton are charged via CDC. External (non-rates) revenue is 10%.</p> <p>Renewal of the infrastructure is undertaken with a mixture of loan funding and use of depreciation reserves. Financial contributions are required from developers (per the District Plan) to fund upgrading of the infrastructure and expansion of the area serviced.</p>	<p>the service evenly across all properties.</p> <ul style="list-style-type: none"> The balance of 70% by way of a differential targeted Water Supply Rate charged on the capital value of properties in the urban area. The capital value rate has the effect of charging higher value properties more for the water supply – this being a rough proxy for usage and value protected for fire fighting. All properties within the supply area are charged this rate to recognise the ability to access the infrastructure. <p>The Council has installed water meters on the majority of connected properties, but has not yet determined a charging mechanism to incorporate a split between user charges and targeted rates for a fixed quantity of water.</p>
Rural Water Supplies	<p>The range of rural water supplies the Council provides are all seen as providing a private benefit to the connected properties, whether they are a water race, untreated supply or potable supply.</p> <p>Full cost recovery from the connected properties is the theoretical position. Testing and monitoring costs of all rural water supplies (including those not operated by the Council) cannot currently be recovered from the supply operators, hence the costs are recovered through rural rates.</p>	<p>Opaki water race - targeted rate on LV</p> <p>Tinui water supply – targeted charge</p> <p>The Tinui water supply services some 28 properties but the full costs of the supply make it uneconomic to charge full cost recovery, hence a general rural ratepayer subsidy is helping to fund the scheme.</p> <p>Taueru water supply – targeted charge, invoiced.</p> <p>Upper Plain water supply (trickle feed) – targeted charge in rates and separate portion invoiced.</p> <p>Wainuioru water supply – invoiced charge as per separate scheme rules, set under delegated authority of Council.</p> <p>Other rural water costs – allocated 100% rural – rated as part of the</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
Urban Wastewater	<p>A reticulated sewer network and treatment plant contributes to a high standard of public health. It is one of the core services that ensure the local community, economy and environmental impact are sustainable.</p> <p>Private benefits arise to the connected properties from which effluent is taken. The nominal network (community) benefit versus users benefit is assessed at 70/30.</p> <p>Council has a trade waste by-law which is designed to monitor and reduce the potentially inappropriate use of the sewerage system. Because of the level and nature of trade waste discharges, the funding generated is minor.</p> <p>Septic tank discharges to sewer are charged for and baleage sales also generate external revenue (approx. 10%).</p> <p>Renewal of the infrastructure is undertaken with a mixture of loan funding and use of depreciation reserves. Financial contributions are required from developers (per the District Plan) to fund any upgrading of the infrastructure and expansion of the area serviced.</p>	<p>differential general Sundry Facilities and Services capital value rate.</p> <p>Trade waste charges and septic tank waste charges generate income before the rates required from all serviced properties are calculated. Revenue is collected from CDC for the Waingawa industrial area.</p> <p>The funding requirement (from rates) is funded by way of:</p> <ul style="list-style-type: none"> • 30% from Targeted Charge for Sewerage, levied on each connected and separately used or inhabited portion of a property. This has the effect of spreading a portion the cost of the service evenly across all properties. <p>The balance of 70% by way of a differential targeted Sewerage Rate charged on the capital value of properties in the urban area. The capital value rate has the effect of charging higher value properties more for the sewerage than lower value ones – this being a rough proxy for usage. All properties within the supply area are charged this rate to recognise the ability to access the infrastructure.</p> <p>A Sewerage Charge is levied on those properties (per residential equivalent) that are outside the urban serviced area, but discharge liquid effluent to the Masterton sewerage system – (Milford Downs & Rathkeale College)</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
Rural Wastewater	<p>There are three separate rural sewerage schemes at Castlepoint, Riversdale and Tinui.</p> <p>Each has its own cost structures and each is expected to be fully funded by the connected properties.</p> <p>The Riversdale Beach sewerage scheme is a reticulated system servicing the Riversdale Beach settlement.</p> <p>Tinui septic tank system has been upgraded and the costs of the upgraded service will be met by the users/connected properties.</p> <p>The Castlepoint sewerage scheme is a reticulated system servicing the Castlepoint Beach settlement.</p> <p>The funding of renewals at Castlepoint and Riversdale is from depreciation reserves. New capital works and scheme extensions are funded from a combination of loans and capital contributions.</p>	<p>A Castlepoint Sewerage targeted rate is charged to fund the costs of operating the Castlepoint scheme. This is a flat charge on each connection. The camping ground has been assessed at 20 equivalent connections.</p> <p>Capital contributions are charged based on the historical scheme capital costs.</p> <p>A Riversdale Sewerage targeted rate is charged to fund the costs of operating the Riversdale Scheme. This is a flat charge on each assessed Residential Equivalent (RE) property connected in the serviced area. In addition a flat charge is levied on each serviceable property that is not yet connected to the scheme.</p> <p>The capital funding of the Riversdale Beach scheme was from a combination of capital contribution, Council reserves, Government subsidies and a loan. Individual properties connected to the scheme paid a capital contribution rate to recover each property's share of the costs of the scheme. Some 32 properties are paying off their contribution over 20 years. New connections are charged a capital contribution which goes to repay the Council debt that remains on the scheme.</p> <p>A Tinui sewerage rate is charged to cover the operating costs of the small reticulation network and ponds. A general rural ratepayer subsidy (50%) is allowed for on the basis of affordability. A capital contribution rate is charged on 8 of the 19 connections as they pay off their share of the costs of upgrading the scheme.</p>
Stormwater	<p>There are public safety and health benefits in the Council providing infrastructure to remove stormwater from urban built-up areas, reducing the risk of flooding.</p> <p>There are private benefits to property owners whose properties are at risk of inundation but no practical means to</p>	<p>The rates required are funded as part of the targeted urban Sundry Facilities and Services Rate, charged on capital value (CV).</p> <p>The proportionately larger benefit received by commercial (CBD) properties is one of the reasons for the commercial differential.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>differentiate how much to charge, other than through rates.</p> <p>A large share of the costs relate to the CBD stormwater upgrade undertaken in the mid 1990s. Other costs arise from maintaining pipes and creeks. Renewals will be funded by way of depreciation reserves.</p>	
Stormwater - rural	Both Riversdale Beach and Castlepoint have a number of stormwater assets in place. The value of these is significant but operating costs are minimal.	The Riversdale Beach costs to rate for are included in the beach sewerage scheme rates, paid for by the properties connected. The costs of Castlepoint stormwater assets, excluding the seawall, are recovered via the Castlepoint Sewerage charge.
Refuse Collection	<p>The Council provides a convenient, domestic rubbish bag collection and disposal service, contributing to a tidy, clean, healthy and safe environment. All urban and beach resort property owners have the opportunity to use the collection service.</p> <p>The benefits are regarded as partially 'private', as the generators of the waste should pay the cost of disposing of it, but there is also a public benefit to not having litter and household rubbish in the community. Some users choose to pay for private wheelie bin services to collect their household refuse. By charging for blue council rubbish bags a 70% cost recovery is currently achieved for the service, the pricing also acts as an incentive to reduce waste volumes, thereby contributing to a positive environmental outcome.</p>	<p>The target is to fund the service by the recoveries received from the sale of official Council rubbish bags however charges will be set at a level that will recover as much of the costs as possible while still encouraging appropriate behaviours to minimise waste and recycle. Up to 30% of the costs to be rates funded.</p> <p>The bags are sold via retail outlets. The cost of the bag includes the pick up from the gate and the disposal on a landfill.</p> <p>Rates component is 100% urban, included as a CV-based rate.</p>
Urban Transfer Station	<p>The provision of a landfill/transfer station contributes to a tidy, clean, healthy and safe environment.</p> <p>There are private benefits to those who wish to dispose of their refuse via the Council-provided facility. The waste generators can range from domestic households to commercial and industrial waste and hazardous wastes.</p>	<p>Users can be identified and charged by way of a weighbridge and manned gate fee kiosk.</p> <p>The Council has a target of 100% cost recovery via user (gate fee) charges however variable volumes may result in revenue greater than or less than the budget target income. Some landfill</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>The level of service of the facility in terms of opening hours is directly related to costs, hence the convenience of seven days per week opening should be paid for by the users of the facility. Retention of large volume customers is seen as desirable to ensure the lowest cost per tonne can be achieved for all users.</p>	<p>closure costs are not appropriate to fund from current waste volumes.</p> <p>The balance of costs (if any) are funded by CV rates, which recognises the public good aspect of the long opening hours of the transfer station and to hold the gate charges at an economically affordable level.</p> <p>Discounted tonnage rates can be negotiated for high volume customers in order to retain their business.</p> <p>The provision of new infrastructure can be funded by user charges, waste levy grants, reserves and loans.</p>
Waste Minimisation	<p>This activity incorporates recycling and composting where there are real environmental benefits through the reduced use of resources and the removal of items from the residual waste stream to landfill.</p> <p>Direct benefits arise to those who are disposing of the materials they no longer want, but in the interests on encouraging recycling, the Council has decided to continue to accept recyclable materials free of charge at the transfer station and offer a recycling collection service in urban areas.</p> <p>Compostable materials are separately identifiable and can be charged for. Current policy is to achieve as much as possible from those depositing compostable materials, while still pricing the service at a level that encourages removal of greenwaste from going to landfill.</p>	<p>User charge income is collected for greenwaste with charges set to recover approximately 80% of the contracted costs of processing the greenwaste.</p> <p>A recycling collection service is provided in the urban areas and rated for with a targeted charge - see next section.</p> <p>The balance of costs (largely recycling) to be rated are allocated on population split between urban and rural and funded by way of the differential Sundry Facilities CV rate.</p> <p>Funding of expansion of the waste processing and minimisation facilities will be by loan funding and subsidies from the Waste Levy.</p>
Recycling Kerbside Collection	<p>Recycling has environmental benefits through the reduced use of resources. It also removes items from the residual waste stream to landfill.</p> <p>Private benefits arise to those who are disposing of the materials via a collection service from their gate.</p>	<p>The service is available to all in the refuse collection area.</p> <p>The Council has decided to fund the activity by way of a targeted rate, set on a targeted uniform basis and charged on every separately used or inhabited</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>The Council provides the collection service in the urban area and has also introduced a service in some rural areas.</p> <p>The cost recovery includes a share of the contract costs for handling the recyclable materials, as well as the cost of the collection.</p>	<p>portion of a rating unit in the serviced areas.</p> <p>When a food waste collection is implemented as required under the regional waste minimization plan, the costs will be recovered via the targeted charge described above.</p> <p>At Castlepoint and Riversdale Beaches the cost of the refuse and recycling collections is charged as a targeted rate on serviceable properties (see below)</p>
Rural Refuse	<p>The provision of two transfer stations and specific collection services in parts of the rural area helps contribute to a tidy, clean, healthy and safe environment.</p> <p>Refuse & recycling collection services are provided to some rural communities. Full user pays is difficult to achieve as it is not cost effective. Collection services are only part funded from bag charges as rural collection and disposal costs are higher than in the urban area.</p> <p>There are private benefits to those who dispose of their refuse via the Council-provided facilities.</p> <p>The costs of operating the rural transfer station sites are high in relation to the volumes received. Targeted rating of the localities serviced has been consulted on with the communities. Council has signalled it wishes to move away from general rating funding services in specific localities.</p> <p>Upgrading of facilities will be funded by way of loans.</p>	<p>User charge income at rural transfer stations is currently targeted to recover approximately 5% of costs.</p> <p>The costs of providing Riversdale and Castlepoint refuse & recycling services can be identified and will be partly charged as a targeted rate on those beach properties which receive the service. Currently 15% of rural refuse services are collected by way of the Beach Collections Rate.</p> <p>The balance of the cost of providing the rural refuse services (approx. 85%) is allocated 90/10 between rural and urban respectively. The basis for urban allocation is that urban people can use the rural transfer stations, but have less access.</p> <p>In the urban area the cost is included in the differential general Sundry Facilities Rate. In the rural area, after the targeted beach collection rate, the balance is part of the rural Uniform Annual Charge.</p>
Parks & Reserves	<p>Community benefits arise from the amenity value of residents having access to open space areas for relaxation and recreation. Council provides these amenities for all of the community and</p>	<p>Net operating cost (approx 95% of total costs), will be funded in the urban area by a differential targeted rate based on CV. In the rural area it is funded as part</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>does not wish to separately charge individuals based on use.</p> <p>A small amount of revenue is achieved through the lease of depot facilities to contractors.</p> <p>Costs of maintaining beach reserves are included in the overall activity costs and include costs associated with the Castlepoint seawall.</p>	<p>of the rural Targeted Uniform Charge (TUC).</p> <p>The varying rating treatment between areas is needed because the Civic Amenities CV rate is only applied in the urban area where the parks amenity values are seen to enhance all other property values. The use of the TUC in the rural area sees funding equated closer to units of habitation than valuations.</p> <p>Renewals and new assets are funded by way of reserves contributions from developers, depreciation reserves and loan funding.</p>
Sports fields	<p>The provision of sports fields encourages an active, healthy, community. This is considered to provide benefits to the community as a whole.</p> <p>Private benefits accrue to individuals who have access to the facilities and to sports associations who also utilise them.</p> <p>Council policy is to try and recover from sports clubs 50% of the marginal costs of maintaining the sports field for the intended sport. Variations may be made on a case by case basis. Rate remissions are also applied to sports fields.</p>	<p>User charges generate approximately 5% of operating costs.</p> <p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p> <p>The net operating cost is funded in the rural area as part of the rural TUC. The use of the TUC sees funding equated closer to units of habitation than valuations.</p> <p>The urban share is funded as part of the differential targeted CV rate (Civic Amenities) in the urban area. The Civic Amenities CV rate is only applied in the urban area as the sports field amenity values are seen to enhance all other property values.</p>
Recreation Centre	<p>Community benefits of the Centre are a healthy and fit community and the availability of a facility in which the public can access indoor sporting facilities, supervised indoor and outdoor swimming, and learn-to-swim education provision. The encouragement of active, healthy pursuits keeps young people engaged. The facility increases the District's attractiveness as a place to live, work, visit and invest.</p> <p>Benefits accrue to individual users through their use in a controlled environment, whether as swimmers,</p>	<p>User charges and other recoveries by the Council or the facility operator are targeted at 30% of total operating costs.</p> <p>The facility operator charges the Council a contract fee net of these user charge recoveries, giving the operator an incentive to maximise usage, while there is a requirement to report the usage and income figures.</p> <p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>spectators, sports participants or event organisers. User benefit has been assessed at approximately 70% of the costs of the facility.</p> <p>The Council has modified this, taking account of the disincentive which high user fees would have on use, particularly to the lower socio-economic groups who are understood to value the swimming pools highly as a community amenity. The modified private benefit/user charge target is 30%.</p>	<p>The facility is available to the whole community to use and so rates funding is via the Targeted Uniform Charge (TUC) in both urban and rural areas. Not all depreciation is funded because some 50% of the value of the new facility, built in 2004, was funded by external grants.</p> <p>Asset renewal and minor capital items will be funded by depreciation reserves. Future replacement is assumed to be at least 50% funded by external funding.</p>
Cemeteries	<p>Community benefits include the appropriate burial of the deceased while meeting the spiritual and emotional needs of families. Cemeteries also have public open space benefits and heritage value. Private benefits accrue to families of the deceased. This is initially assessed at 65% of the costs.</p>	<p>Burial fees are set to at least recover the contractor's costs to undertake the work. Income from sales of burial plots takes some account of the on-going maintenance of the plot for the next 50 years. Maintenance of existing/historical plots is funded by rates.</p> <p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p> <p>The % community share is recovered via a CV rate in urban area and part of the TUC in the rural area.</p> <p>Cemetery extensions are funded by the lawn cemetery reserve fund.</p> <p>Service level Improvements will be funded from a combination of reserves, rates and loans.</p>
Library	<p>Community benefits of libraries include the promotion of literacy and contributing to the quality of life of citizens. Libraries are a key part of the education framework in a community where benefits are believed to accrue through a literate society.</p> <p>Benefits do accrue to users of library services and programmes, however user charges are believed to act as disincentives to those on low incomes who potentially can benefit the most.</p>	<p>All user charges, recoveries and grants currently recover approximately 5% of operating costs.</p> <p>Rates funding is expected to cover the remaining 95% of library costs.</p> <p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p> <p>There is even access to all so Rates funding is levied as part of the Target Uniform Charge (TUC) in both urban and rural areas.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
Archive	<p>Community benefits arise from the cataloguing and storing of historically significant information and the collection is an education resource to help younger generations understand the past.</p> <p>Benefits accrue to individuals who undertake research using the records. People who deposit records gain a safe and secure storage facility, but in order to encourage the preservation of historical material, no charge is made on people who deposit material.</p>	<p>In the interests of public access, charges to researchers are minimal. Recoveries are approximately 5% of costs.</p> <p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p> <p>Rates funding is levied as part of the Targeted Uniform Charge in both urban and rural areas.</p> <p>Note: the Wairarapa Archive is located in Masterton District and provides a service to the whole of the Wairarapa, but no funding is provided by the other Wairarapa Councils. The possibility of other Wairarapa Councils contributing to the cost of running the archive is to be explored.</p>
District Building	<p>While the Town Hall & District Building are closed due to structural issues, no rental revenue is expected to be generated. The Council may choose to hire out rooms to the public in Waiata House. Private benefit accrues to venue hirers. Various Council departments utilise the Waiata House office space and 161 Queen Street (which is leased). A market rental is charged internally to recognize a rental cost for each activity of Council.</p>	<p>Venue hire income recovers approximately 0% of costs currently, internal rental income recovers some 55% of costs. The remaining public benefit of 45% is charged as part of the differential targeted Sundry Facilities CV rate. Council want to increase the internal rental recovery to 65%.</p> <p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p> <p>Renewals are funded by way of depreciation funding. Upgrading of public facilities, and office space, will be loan funded.</p> <p>The proposed Civic Centre that will replace the Town Hall will be funded by a loan.</p>
Housing for the Elderly	<p>The provision of low cost accommodation to pensioners with low asset holdings was encouraged by central governments in the 1970s through the provision of low interest loans. The public benefit is a better social environment for all members of the community.</p> <p>In the past, Council had a policy of no ratepayer funding subsidising the activity – i.e. the private benefit of the accommodation should be 100% user pays. However by holding rents to</p>	<p>The Council has chosen to fund up to 10% of the activity's operating costs from rates to supplement the user pays income.</p> <p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p> <p>There remains a funding shortfall of around 27% (nominally depreciation) which is unfunded. If the Council rebuilds in the future both loans and Government subsidies would be the</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	below 30% of the pension, the income generated is insufficient to cover all costs (including depreciation) so not all depreciation has been funded to reserves.	principal elements of the capital funding. Capital renewals and major redecoration costs are funded from depreciation reserves.
Other Property	<p>The Council holds certain assets for strategic purposes, some related to service delivery such as water supply or parks. The funding policy aim is to achieve market rental returns wherever possible. Not all miscellaneous property held by the Council achieves break-even rental return to cover all holding costs.</p> <p>Mawley Park camping ground is an example where the operating costs are met from revenue but renewals and depreciation costs are funded by rates.</p>	<p>Rental income would ideally fund 100% of this activity, however this is currently closer to 65%. Any shortfall is charged as part of the differential general Sundry Facilities CV rate.</p> <p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21. Asset purchases are funded from general capital reserves.</p>
Public Conveniences	<p>Community benefits include health, convenience and cleanliness of public toilet facilities. There are economic benefits to the district from providing public toilets at beach resorts.</p> <p>Public toilets provide a benefit to individual users who can be identified and could be charged, but it is not considered economically feasible to do so. CBD businesses benefit from the CBD restrooms.</p>	<p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p> <p>100% funded from rates as part of the differential targeted Sundry Facilities CV rate. The commercial differential means CBD businesses will pay proportionately more.</p> <p>Asset renewals are funded from depreciation reserves. New assets will be funded by loans.</p>
Rural Halls	<p>Rural people can gain a sense of 'community' from the provision of a rural hall.</p> <p>Benefits arise for users of the halls and rural holding paddocks. Usage of both rural halls and holding paddocks is low and there are few practical means of monitoring usage and collecting revenue, hence only 1% user charges recovery is expected.</p>	<p>Of the rateable costs, 95% are allocated to the rural area. Rates funding is charged as part of the differential targeted Sundry Facilities CV rate.</p> <p>Renewals are funded from depreciation although not all depreciation is funded.</p> <p>Disposal of some halls and holding paddocks may be the outcome of a review of the holdings. Proceeds would be held within the General Capital Reserve.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
Forestry	<p>A community benefit is seen in the utilisation of otherwise unproductive land to produce a return to ratepayers. Costs associated with the management of roadside forestry are charged to the non-subsidised rural roading activity.</p>	<p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21. After the allocation of costs to roading, the residual costs are rated as part of the Targeted Uniform Charge in both urban and rural areas. Net proceeds from harvest are added to reserve funds.</p>
Airport	<p>There is a public benefit from the provision of the only sealed runway in the Wairarapa, encouraging industry and investment. The facility provides opportunities for recreational activities related to aviation and for events. The public benefit is assessed as 40% of operating costs.</p> <p>Airport users benefit from access to the aviation facilities. Commercial aircraft operators and other lessees gain access to the airport to undertake their businesses. Recreational users and event organisers benefit through access to a venue.</p> <p>The airport is used by the Life Flight Trust to transport patients to and from hospitals in larger centres which is a significant public benefit to the whole Wairarapa district.</p>	<p>Ground leases are set based on market rentals. A landing charges regime is in place. Special events (such as air shows) pay per use. The user charge income target is 60% of costs.</p> <p>The balance of costs is funded from rates. For rating, the allocation of costs between urban and rural areas uses the population split of 79/21. Rates funding is charged as part of the differential targeted Sundry Facilities CV rate. Renewals of assets (runway surface and lights are the main assets) are funded from depreciation. Development will be funded by loans, capital contributions and the extra revenue generated from leases. Current developments are part-funded by Government grants.</p>
Resource Management and Planning	<p>Community benefits arise from the application of a consistent set of rules for sustainable management of the District's resources (via the Combined District Plan). There are fair opportunities for change (development) and control of adverse effects. The public gains a better quality of life through control of nuisances and adverse environmental effects of development. The council also enables members of the public to seek advice on planning issues.</p> <p>Private benefits arise to developers from advice about planning processes and the value they gain from gaining a consent to progress a development.</p>	<p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21. Consent fees target to recover is 30% of the costs of the activity (providing advice and processing consents). Land Information Memoranda are charged as full cost recovery of time spent retrieving the information supplied. Some resource management costs have no opportunity for cost recovery.</p> <p>Rates will fund approximately 70% of costs via the differential targeted Regulatory Services rate. Financial contributions charged under the District Plan are included as revenue in this activity but are not used to offset</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>There is little ability to recover the full cost from the development community alone.</p> <p>Contributions to GWRC river management schemes are included in this activity's costs.</p>	<p>operating costs – they are transferred directly to reserve funds.</p>
Building Services	<p>The community benefits through the Council enforcing legislative standards applied to buildings and construction. Benefit arises to current owners and occupiers who gain the protection of consistent standards applied to their asset, protecting the value of the investment in that asset.</p> <p>The public benefit is assessed at up to 20% of the costs of the activity.</p>	<p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p> <p>The percentage funded by user pays (building consents) is somewhat dependent on the level of building activity in the district. The proportion funded from rates will therefore vary from year to year.</p> <p>Rates required are included in the differential targeted Regulatory Services Rate charged on capital value.</p>
Environmental Services (incl Alcohol & Bylaws)	<p>The community benefit is in the maintenance of food hygiene standards of food premises.</p> <p>Liquor licensing contributes to public health and safety. Water supply monitoring provides confidence in potable water supplies.</p> <p>Noise control and swimming pool fence compliance are regulatory activities designed to ensure a safe and 'livable' community.</p> <p>Benefits accrue to businesses selling food and liquor. Water supply consumers and sewerage and solid waste customers all benefit indirectly through the monitoring regimes undertaken. There are few opportunities to recover costs from noise complaints or swimming pool fence compliance.</p> <p>The overall public benefit target (i.e. rates component) is set at 50% of costs. There are public safety benefits from the monitoring and control of nuisances such as abandoned vehicles, long grass and overhanging trees.</p> <p>Private benefits accrue to the neighbours of people who infringe, but there is no means to charge them.</p>	<p>Monitoring and compliance work done for Council functions such as water supplies, sewerage and solid waste are charged out internally to those activities.</p> <p>Liquor licensing fees are set by Council via the Local Alcohol Policy.</p> <p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p> <p>The rates required are included in the differential targeted Regulatory Services Rate charged on capital value.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>Infringers (exacerbators) are charged for the costs incurred in rectifying the issues (i.e. removing abandoned cars, cutting long grass), but recovery of all costs is often not possible.</p>	
<p>Parking</p>	<p>Community benefit is the efficient turnover of parking spaces. Safety, amenity, convenience and community health (disabled parking) benefits also arise.</p> <p>Private benefit accrues to motorists, retailers and other businesses who want to park in the CBD</p> <p>Exacerbators are those who park illegally or do not comply with bylaws – infringement income results.</p>	<p>Income from parking meters and parking fines should cover the activity's costs.</p> <p>Any rates component to align with the Economic Development activity rating basis.</p>
<p>Animal Control (including Dog Control)</p>	<p>General community benefits arise through the enforcement of dog control legislation. Benefits include safety, health and reduced public nuisances (barking, fouling).</p> <p>Private benefits arise to dog owners through education and registration. Dog owners who infringe the law (exacerbators) are charged through infringement fines.</p> <p>Council points to the Dog Control Act 1996 which expects dog owners to pay the full costs of dog control, while allowing a small portion to be rates funded.</p> <p>Council considers 30% is the appropriate level of funding input from the wider community.</p>	<p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p> <p>Dog control registration fees, pound fees and infringement fines will be set to recover 70% of the costs of this activity.</p> <p>The Council believe a 70/30 split between dog fees and rates is appropriate to recognise the public benefit to non-dog owners. The rated component is charged as part of the Targeted Uniform Charge in each area.</p> <p>The allocation of the fee component between different categories of dog owner or dog is a feature of the Dog Fee setting process.</p>
<p>Civil Defence & Emergency Management</p>	<p>There are a wide range of risks to which the community is vulnerable and everyone benefits from the Council's work in risk reduction, readiness and recovery.</p> <p>While some groups may be more vulnerable than others, ultimately, everyone benefits.</p> <p>Cost sharing of Emergency Operations Centre costs with CDC & SWDC generates external income of 28%</p>	<p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p> <p>The rates required for Emergency Management are included in the differential targeted Regulatory Services Rate charged on capital value.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
Representation	<p>The whole community benefits through the system of democratic local representation.</p> <p>The Council is also the organisation’s governing body. Representation comprises a mayor, one councillor elected in a Māori ward, seven (7) other councillors and two (2) iwi representatives.</p> <p>For rating, the allocation of costs between urban and rural areas uses the population split of 79/21.</p>	<p>40% of the costs of this activity are allocated as overheads. The balance of 60% is to be rated using a differential targeted rate - the Representation & Development Rate - based on Capital Values (CV). Allocation between urban and rural areas can be based on population as Council consider all councillors represent all ratepayers.</p> <p>Rating is considered to be the best available tool to apportion costs of the public benefit and CV is considered to be the best available measure of ‘ability to pay’.</p>
Community Development	<p>There are general community ‘well-being’ benefits which arise from the provision of this activity.</p> <p>External funding is sort where available, to fund programmes. At least 85% of the cost is expected to be funded by rates.</p> <p>Community groups and individuals who benefit may also find other funding sources, but Council does not intend to recover any portion of the funding it gives. The Council considers its community development activity benefits the whole community and a population based urban/rural split is appropriate.</p>	<p>Uniform Charge rating is considered to be the best available tool to apportion costs of the public benefit of this activity evenly across the community.</p> <p>Some one-off grants to community groups for one-off projects or facilities could be funded from Council’s carried forward reserve funds.</p>
Environmental initiatives	<p>The community benefits from a range of environmental sustainability initiatives including water conservation, air quality improvements, supporting environmental education and climate change initiatives.</p>	<p>100% funded by a CV based rate. Population split between urban and rural areas based on population as benefits are across the whole community. There is public benefit to the activity and CV is considered to be the best available measure of ‘ability to pay’.</p>
Arts & Culture	<p>The community ‘wellbeing’ benefits (i.e. quality of life) include a better informed and educated community through</p>	<p>Urban/rural split based on population. 100% funded by the differential targeted Representation & Development Rate based on CV. Rating is considered to be the best available tool to apportion costs of the public benefit and CV is considered to be the</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>access to history, arts, music and culture.</p> <p>A private benefit is recognised as accruing to individuals from activities such as visiting an art exhibition.</p> <p>Consequently, the Council’s service contract with the Aratoi Regional Trust, being the largest portion of the Arts & Culture activity, requires Aratoi to achieve at least 20% of its funding from sources other than the Masterton District Council.</p>	<p>best available measure of ‘ability to pay’.</p>
<p>Economic Development and Promotion (incl CBD Amenities)</p>	<p>Community benefits include supporting the local business sector and economy through running an in-house economic development unit and funding the tourism agency Destination Wairarapa, Wairarapa Economic Development Strategy (WEDS) and providing support and funding for a range of events and promotions.</p> <p>There are benefits that accrue indirectly to businesses and tourism operators from the work being funded.</p> <p>CBD Amenities: Public safety and security are enhanced by security cameras and under-veranda lighting.</p> <p>Business owners in the CBD benefit from better security for their property. Private property owners would benefit from undergrounding of power lines and this would be addressed as part of any project spend on undergrounding power.</p> <p>Capital expenditure on renewals will be from depreciation reserves, asset extensions will be from a combination of external funding and Council reserves.</p>	<p>Urban/rural split based on population. 100% funded by the differential targeted Representation & Development Rate based on CV.</p> <p>CV Rating is considered to be the best available tool to apportion costs of the public benefit as it factors in an ‘ability to pay’ across the community.</p> <p>Businesses pay a 2X differential on the Value-based rates partly to recognize the benefits that arise to them indirectly from Council undertaking this activity.</p> <p>Considered as part of the Economic Development activity (above) and allocated between urban and rural based on population as there is a whole of community benefit. Operating costs 100% funded by a differential targeted rate based on CV.</p> <p>CV rating is considered to be the best available tool to apportion costs of the public benefit as it factors in a measure of ‘ability to pay’.</p>

4.2 CROWN FUNDING FOR WAIRARAPA MOANA NATURAL RESOURCES COMMITTEE

File Number:

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Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to seek Council's agreement to transfer Crown funding for the Wairarapa Moana committee for natural resources to Greater Wellington Regional Council.

RECOMMENDATIONS

That Council

1. **agrees** to transfer to Greater Wellington Regional Council the \$179,350 Crown funding received for the financial support of the Council's participation in the committee for natural resources on the condition that:
 - (a) the funds be held as a separate and identifiable ledger item by the Wairarapa Moana Statutory Board; and
 - (b) the funds be utilised principally to provide financial support for MDC participation in the committee for natural resources.

CONTEXT

Te Rohe o Rongokako Joint Redress Act 2022 (the Act) provides for joint redress as stated in the deeds of settlement to settle the historic claims of Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua and Rangitāne o Wairarapa and Rangitāne o Tamaki nui-ā-Rua.

The Act includes setting up the Wairarapa Moana framework, including establishing the Wairarapa Moana Statutory Board with members appointed by the iwi settlement trusts, Ministry of Conservation, Greater Wellington Regional Council (GWRC) and South Wairarapa District Council.

The Act also establishes a committee for natural resources as a committee of the Statutory Board with members appointed by the iwi settlement trusts, GWRC and the three Wairarapa district councils. The committee is not a committee of Masterton District Council.

The Statutory Board must develop the Wairarapa Moana document which has three parts:

- a) an overarching vision, and statement of desired outcomes, for Wairarapa Moana
- b) a reserves management plan for the Wairarapa Moana reserves
- c) a natural resources document for the Ruamāhanga River catchment

The committee for natural resources will develop the natural resources document. The committee is still in the process of being formed.

The Crown is able to contribute to natural resources arrangements arising from Treaty settlements. These costs may contribute to things like secretariat support, iwi liaison/capacity, financial and legal costs, communications, technical specialists and cultural advice.

Officers have liaised with Te Arawhiti the Office for Māori Crown Relations and submitted an estimate of costs for participation in the committee, such as attendance and mileage payments. Council was advised in December 2022 that we would receive a one-off contribution of \$179,350.

On 6 September 2023, the Mayor received a letter from the Chair of GWRC suggesting that the Wairarapa Councils pool the Crown funding each has received (see Attachment 1). As a condition of transfer, Wellington Regional Council requires the funds to be held as a separate and identifiable ledger item by the Statutory Board and for the funds to be utilised for developing the natural resources document through the Committee. They suggest that Councils consider applying similar conditions.

ANALYSIS AND ADVICE

Officers consider that there is merit in centralising administration of the committee for natural resources through the Statutory Board. Officers also agree that conditions be placed on the transfer in line with GWRC's suggestion and the purposes for which we received the funding. We propose that these are:

- a) the funds be held as a separate and identifiable ledger item by the Statutory Board;
- b) the funds be utilised principally to provide financial support for MDC participation in the committee.

OPTIONS CONSIDERED

A summary of the options considered is included in the table below.

Option	Advantages	Disadvantages
1 Transfer Crown funding on the recommended conditions	Enables efficiencies through central administration of the committee. Ensures funds are allocated in line with the Crown's conditions and MDC's intention for the funds.	None identified.
2 Transfer Crown funding with no/different conditions	Depends on conditions imposed.	Depends on conditions imposed. Funds may be allocated outside of Crown/MDC intentions. Additional funds may be needed by MDC to support participation in the committee.
3 Do not transfer Crown funding	Administration of the funds is retained within MDC control.	Additional resources required for administration. Potential inefficiency.

RECOMMENDED OPTION

Option 1 is recommended. This ensures efficiencies in administration of the committee for natural resources and Council's contribution is used for the purposes for which it was received.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

Te Rohe o Rongokako Joint Redress Act 2022 is an important piece of legislation in the settlement of historic claims of Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua and Rangitāne o Wairarapa and Rangitāne o Tamaki nui-ā-Rua. The Act sets up a framework and document with regard to the relationship of Wairarapa iwi with their ancestral lands, water, wāhi tapu and other taonga in Wairarapa and the Ruamāhanga River catchment. The Council will be represented on the committee for natural resources to develop a natural resources document for the Ruamāhanga River catchment.

Significance, Engagement and Consultation

Te Rohe o Rongokako Joint Redress Act is legislatively and strategically significant for Council, iwi and their relationship. The transfer of Crown funding is not significant for the wider community in terms of Council's Significance and Engagement Policy. Consultation on that decision is therefore not required.

Financial Considerations

Council has received the Crown's funding contribution for financial support of participation in the committee for natural resources. If the Council agree, officers will transfer the funding to GWRC on the conditions stated. Council will not then need to provide additional financial support for our participation in the committee.

Implications for Māori

Te Rohe o Rongokako Joint Redress Act is an important piece of legislation in the settlement of historic claims for Wairarapa iwi. The Act gives effect to cultural and other redress shared between Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua (Ngāti Kahungunu) and Rangitāne o Wairarapa and Rangitāne o Tamaki nui-ā-Rua (Rangitāne). The redress is contained within the Deed of Settlement signed between Rangitāne and the Crown on 6 August 2016 and the Deed of Settlement signed between Ngāti Kahungunu and the Crown on 29 October 2021. The Act recognises that while Ngāti Kahungunu and Rangitāne are separate groups and trace descent from different ancestors, they are closely interconnected. They share whakapapa throughout the Wairarapa and Tāmaki nui-a-Rua regions.

The transfer of Crown funding to GWRC enables efficient administration of the committee for natural resources to progress the development of the natural resources document.

Communications/Engagement Plan

None

Environmental/Climate Change Impact and Considerations

The Wairarapa Moana framework and the natural resources document will enable to the promotion of the restoration, protection and enhancement of social, economic, cultural, environmental and

spiritual health and wellbeing of Wairarapa Moana and the Ruamāhanga River catchment relating to natural resources.

NEXT STEPS

Officers will advise GWRC of Council's decision and progress the transfer of Crown funds.

ATTACHMENTS

1. **Letter from Greater Wellington Regional Council** [↓](#) 



By email garyc@mstn.govt.nz

6 September 2023

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Te Aro, Wellington 6011
PO Box 11646
Manners Street
Wellington 6142
T 04 384 5708
F 04 385 6960

Gary Caffell
Mayor
Masterton District Council

Tēnā koe Gary

Opportunity to pool the Crown funding for the natural resources document

This letter follows up on the conversation that Adrienne Staples and I shared at the meeting of the Wairarapa Committee on 8 August 2023.

In summary, we suggested that Wairarapa Councils join the Wellington Regional Council in pooling our respective Crown funding to help develop a publicly notified natural resources document for the Wairarapa Moana Statutory Board (Statutory Board) through the committee for natural resources (the Committee).

You are aware, in December 2022 the Crown increased its funding from the then total \$500,000 allocation to a final one-off contribution of \$3,397,310 to help each party to develop the natural resources document:

- a \$1,333,600 to trustees of Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua Settlement Trust; and
- b \$993,150 to the trustees of Rangitāne Tū Mai Rā Trust; and
- c \$632,000 to the Wellington Regional Council; and
- d \$136,850 to the South Wairarapa District Council; and
- e \$122,360 to the Carterton District Council; and
- f \$179,350 to the Masterton District Council.¹

¹ Email C Torrance, Te Arawhiti to iwi and Council representatives on 'Crown contribution to Wairarapa Moana Natural resources redress' to iwi and Council representatives, 7 December 2022

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If all councils agree to transfer funds, this would provide an initial injection of \$1,070,560 for our respective members of the Committee to work in partnership with our Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua Settlement Trust and Rangitāne Tū Mai Rā Trust counterparts in delivering this important document.

As a condition of transfer, Wellington Regional Council requires the funds to be held as a separate and identifiable ledger item by the Statutory Board and for the funds to be utilised for developing the natural resources document through the Committee. Councils who agree to transfer funds may wish to consider applying similar conditions.

If you wish to discuss the matter with me, please don't hesitate to get in touch.

Nāku noa, nā

A handwritten signature in blue ink that reads "Daran Ponter". The signature is fluid and cursive, with the first name "Daran" and the last name "Ponter" clearly legible.

Daran Ponter

Council Chair

Mobile: 027 454 0689

Daran.ponter@gw.govt.nz

Copy:

Adrienne Staples Deputy Chair; Adrienne.Staples@gw.govt.nz

Karen Yates Interim Chief Executive kareny@mstn.govt.nz

4.3 WAIRARAPA CLASS 4 GAMBLING AND STANDALONE TAB VENUES POLICY REVIEW

File Number:

Author: Karen Yates, Manager Strategy and Governance

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to provide Council with an update on the Wairarapa Class 4 Gambling and Standalone TAB Venues Policy review and seek Council's direction as to its preferred next step.

RECOMMENDATIONS

That Council:

1. **notes** that a joint review of the Wairarapa Class 4 Gambling and Standalone TAB Venues Policy is underway.
2. **notes** that the Wairarapa Policy Working Group (WPWG) has delegated authority to progress the review and make recommendations back to the Wairarapa District Councils.
3. **notes** that the Wairarapa District Councils considered adopting a draft policy and Statement of Proposal for consultation with the community at their September 2023 Council meetings.
4. **notes** that Carterton and South Wairarapa District Councils resolved to consult on a draft policy consistent with the recommendations from the WPWG, which allows Class 4 gambling venues to relocate under exceptional circumstances, while Masterton District Council resolved to consult on a draft policy that would take a more restrictive stance on relocations, preventing Class 4 gambling venues from being able to relocate under any circumstances.
5. **notes** that the recommended process when WPWG recommendations are not agreed to in full by all councils is to refer back to the WPWG to consider next steps.
6. **agrees**, in light of the new information received from the Carterton and South Wairarapa District Councils

EITHER

to consult on a Wairarapa Class 4 Gambling and Standalone TAB Venues Policy that has provisions common to the three District Councils by altering points 2 (a) and 4 of Resolution 2023/80 in accordance with Standing Order 24.6 to read:

- 2 (a) to state that Class 4 Gambling Venues cannot relocate to Wairarapa region's most deprived areas (those on the New Zealand Deprivation Index of decile 9 or 10) if the proposed location is outside of a main town centre.
- 4 **adopts** the Statement of Proposal and draft Policy for consultation with the community, using the Special Consultative Procedure (Attachments One and Two).

OR

to reconfirm Resolution 2023/80 and directs officers to reconvene the WPWG to consider next steps and make recommendations back to the Wairarapa District Councils.

CONTEXT

The Masterton, Carterton and South Wairarapa District Councils (the Wairarapa District Councils) share a joint Wairarapa Class 4 Gambling and Standalone TAB Venues Policy made under Section 101 of the Gambling Act 2003 and Section 96(1) of the Racing Industry Act 2020 (the Acts).

The Policy has a three-year review period which is a legislative requirement under the Acts. A review is currently underway.

As a joint policy, the review was delegated to the Wairarapa Policy Working Group (WPWG) to progress the review and make recommendations back to the Wairarapa District Councils.

In September 2023, the Wairarapa District Councils considered the WPWG recommendation to adopt an amended draft policy and Statement of Proposal for consultation with the community. The report to Masterton District Council is available from [here](#) (see pages 54-141).

On 13 September 2023, the Masterton District Council (MDC) agreed to the majority of the WPWG recommendations but resolved to adopt a more restrictive relocation policy position for consultation so that Class 4 gambling venues would not be able to relocate under any circumstances. A copy of the resolution is below with the key variations highlighted in red.

Resolution 2023/80:

Moved by Councillor Brent Goodwin

Seconded by Councillor Marama Tuuta

That Council:

1. **notes** that a joint review of the Wairarapa Class 4 Gambling and Standalone TAB Venues Policy (the Policy) is underway;
2. **agrees** to amendments to the draft Policy:
 - (a) to state that Class 4 gambling venues will not be able to relocate under any circumstances (Option 2).
 - (b) to state that no new standalone TAB venues may be established
 - (c) to clearly state that no additional gaming machines will be granted consent, in any Class 4 venue (amendment for clarification purposes); and
 - (d) to reflect legislative or other changes since the last review, and to improve the flow and readability.
3. **notes** that consultation with the community is proposed to take place between 2 October and 3 November 2023, subject to adoption by the three Wairarapa District Councils.
4. **adopts** the Statement of Proposal and a more restrictive draft Policy (Option 2) for consultation with the community, using the Special Consultative Procedure (Attachments One and Two).
5. **delegates** authority to the Chief Executive to approve minor edits that don't change the intent of the content, prior to publication of the Statement of Proposal and draft Policy for consultation.

6. **notes** that the Wairarapa Policy Working Group will hear submissions and undertake deliberations ahead of making final recommendations to Council in December 2023.

CARRIED

Carterton District Council (CDC) and South Wairarapa District Council (SWDC) agreed to the WPWG recommendations in full. The resolutions made on 13 and 27 September 2023 respectively were as follows:

1. **notes** that a joint review of the Wairarapa Class 4 Gambling and Standalone TAB Venues Policy (the Policy) is underway;
2. **agrees** to amendments to the draft Policy:
 - (a) to state that Class 4 Gambling Venues cannot relocate to Wairarapa region's most deprived areas (those on the New Zealand Deprivation Index of decile 9 or 10), if the proposed location is outside of a main town centre.
 - (b) to state that no new standalone TAB venues may be established
 - (c) to clearly state that no new gaming machines will be granted consent, in any Class 4 venue (amendment for clarification purposes); and
 - (d) to reflect legislative or other changes since the last review, and to improve the flow and readability.
3. **notes** that consultation with the community is proposed to take place between 2 October and 3 November 2023, subject to adoption by the three Wairarapa District Councils.
4. **adopts** the Statement of Proposal and draft Policy for consultation with the community, using the Special Consultative Procedure (Attachments One and Two).
5. **delegates** authority to the Chief Executive to approve minor edits that don't change the intent of the content, prior to publication of the Statement of Proposal and draft Policy for consultation.
6. **notes** that the Wairarapa Policy Working Group will hear submissions and undertake deliberations ahead of making final recommendations to Council in December 2023.

Given the Council was not aware of the resolutions of CDC or SWDC at the time of its meeting, it is important that officers provide an update and an opportunity for the Council to reconfirm or reconsider its decision taking this additional information into consideration.

Depending on the Council's preferred position, the review will either progress to community consultation or the WPWG will be reconvened to consider next steps.

ANALYSIS AND ADVICE

Adopting a consistent policy for consultation

Rationale for adopting a common policy for consultation

Now knowing CDC and SWDC decisions, the Council may wish to consider amending its position to adopt a consistent policy for consultation. The key reasons for this are:

- It supports a joint and common approach to Class 4 Gambling and Standalone TAB Venues across the Wairarapa region, which is beneficial to both users and venue operators.
- The proposed policy was recommended by the WPWG in consideration of the social impact of gambling in Wairarapa, including maintaining an appropriate balance between harm reduction and the social and economic benefits.
- There are genuine and legitimate reasons why gambling venue operators may need to relocate in extraordinary circumstances and the proposed policy provides the Council with discretion to consider applications on a case-by-case basis.
- Feedback would be sought from the community on whether there is support for a more restrictive policy in Masterton and across the Wairarapa and this could be considered as part of the WPWG deliberations before a final policy is adopted. This would enable Council to understand the views of the community prior to making a final decision on the policy.

Process for adopting a common policy for consultation

If the Council preferred to adopt a common policy for consultation it would need to alter its resolution made on 13 September 2023.

The Masterton District Council Standing Orders apply when revoking or altering a previous decision. Standing Order 24 covers the revocation or alteration of resolutions which states that a resolution passed by a previous meeting may be amended on a recommendation in a report by the Chief Executive.

24.6 Revocation or alteration by recommendation in report

The local authority, on a recommendation in a report by the chairperson, chief executive, or any committee or subcommittee, local or community board, may revoke or alter all or part of a resolution passed by a previous meeting. The chief executive must give at least two clear working days' notice of any meeting that will consider a revocation or alteration recommendation.

If the resolution was altered via a recommendation of this report, the Special Consultative Procedure (SCP) would be used to consult on a joint draft policy as previously reported. The consultation material would seek community feedback on support for a more restrictive policy so that councillors could understand the community views prior to adopting a final policy.

Following consultation, the WPWG would hold a hearing and deliberations before making recommendations back to the Wairarapa District Councils on a final policy for adoption.

Adopting a more restrictive policy for consultation

Rationale for a strengthened policy for Masterton

The Council may prefer to maintain its position of adopting a more restrictive policy for consultation. There are reasons that could support consulting on a strengthened policy for Masterton compared to the other Wairarapa districts as highlighted in the Social Impact Assessment (SIA):

- Gaming machine expenditure is higher in Masterton than the other Wairarapa districts:
 - In 2022, expenditure per gaming machine was \$79,741 in Masterton, \$66,744 in Carterton and \$32,348 in South Wairarapa. Masterton expenditure
 - In 2022, gaming machine expenditure on a population basis was \$215.33 per person in Masterton, \$213.77 per person in Carterton and \$159.70 per person in South Wairarapa. This compares nationally to \$196.95 per person.
- A key finding from the SIA was that gambling harm is disproportionately experienced by those living in high socioeconomic deprivation communities. Masterton district has higher than average overall New Zealand Index of Multiple Deprivation (IMD), with 62.5% of its neighbourhood level zones (20 out of 32) in quintiles 4-5 (most deprived quintiles). Carterton and South Wairarapa Districts have lower than average overall IMD deprivation with 25% of Carterton's zones (3 out of 12) and 21.4% of South Wairarapa's zones (3 out of 14) in quintiles 4-5¹.
- As part of the SIA, survey participants² were asked where in the Wairarapa problem gambling is perceived as most concerning. Although most skipped this question and noted that the issue was not specific to one particular area, the second most common response indicated that Masterton was a place where problem gambling was most concerning.

Process for adopting a more restrictive policy for consultation

The recommended process when not all of the WPWG recommendations are accepted by one or more of the Wairarapa District Councils is to refer back to the WPWG for consideration. The WPWG would consider next steps in light of the discussions had at each Council meeting and make recommendations back to the Wairarapa District Councils on a way forward. This could include, but is not limited to:

- **A recommendation to consult on a joint policy with a regional variation** – the WPWG may recommend a policy with a regional variation whereby Class 4 gambling venues are unable to relocate in the Masterton district. This would include giving consideration to the rationale which might justify a regional variation such as that noted above. There are other examples of policies/plans with regional differences such as the Wairarapa Combined District Plan.
- **A recommendation that Masterton District Council adopts a separate policy for consultation** – the WPWG may recommend that the Masterton District Council adopts a

¹ IMD Deprivation Reports for Masterton, Carterton and South Wairarapa Districts accessed 6 October 2023 from: <https://imdmapp.auckland.ac.nz/>

² Problem gambling service providers, local rūnanga, health, wellbeing and social service and community development organisation stakeholders were invited to participate in survey as part of the Social Impact Assessment.

separate policy from Carterton and South Wairarapa District Councils. There are other examples where one or more councils have retained a separate policy in the past after consideration of regional differences such as the Local Approved Products (Psychoactive Substances) Policy. Currently Masterton and Carterton District Councils have a joint policy and South Wairarapa District Council has its own separate policy.

A meeting of the WPWG would be convened as soon as possible. The recommendations would be presented back to the Wairarapa District Councils (SWDC on 22 November and CDC/MDC on 6 December). This would defer consultation on the policy to early 2024.

OPTIONS CONSIDERED

Option	Advantages	Disadvantages
<p>1 Recommended Option – Agree to consult on a common policy for Wairarapa</p>	<ul style="list-style-type: none"> - A common approach in the Wairarapa contributes to improved understanding by the community. - Consistent with the WPWG recommendations which were developed after consideration of the social impact of gambling, including gambling harm and social/economic benefits. - Supports a positive relationship with WPWG and neighbouring councils. - The review could proceed more quickly as it does not need to go back to the WPWG for consideration. - Less officer resource and time commitment from WPWG. 	<ul style="list-style-type: none"> - Council would need to alter a decision already made to consult on a more restrictive policy. It is however noted that the community would be asked for their views on a more restrictive policy as part of the consultation which could be considered ahead of adopting a final policy.
<p>2 Alternative Option – Reconfirm the decision to consult on a more restrictive policy</p>	<ul style="list-style-type: none"> - There would be no need to amend a Council decision. - There are reasons that may justify a strengthened policy for Masterton and it could support gambling harm reduction. 	<ul style="list-style-type: none"> - There would be no ability for Council to apply its discretion on a case-by-case basis for a gambling venue to relocate in exceptional circumstances when genuine and legitimate reasons for relocation may apply. - If WPWG recommends a policy with regional variation it may be harder to understand by the

Option	Advantages	Disadvantages
		<p>community.</p> <ul style="list-style-type: none"> - It may result in a WPWG recommendation for MDC to adopt its own policy separate from CDC and SWDC. - The review would likely extend further into 2024. - Additional officer time and WPWG commitment.

RECOMMENDED OPTION

Option 1 is recommended. This option would allow for consultation on a joint and common policy for Wairarapa. Community feedback on a more restrictive policy would be sought as part of the consultation and considered as part of the WPWG deliberations ahead of any decisions on a final policy.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The policy is due for review as per the Gambling Act 2003 and the Racing Industry Act 2020. The Acts require councils to consult using the SCP if changes to the policy are proposed.

The Masterton District Council Standing Orders apply to amend or revoke a decision. The relevant Standing Order is outlined in the body of this report.

Significance, Engagement and Consultation

A Communications Plan was developed for all stages of the review as outlined in the report to Council on 13 September 2023.

If Council agrees to consult on a joint and common policy, consultation with the community will take place in line with the Communications Plan. Subject to agreement from CDC and SWDC, consultation could take place between 24 October and 24 November 2023.

Financial Considerations

There are no additional costs to the review resulting from the decision in this report outside of officer time.

Implications for Māori

Minimising harm to our community caused by gambling is a key objective of the policy, including our Māori communities. During consultation we will promote the consultation opportunity to ensure that Mana Whenua, Te Hauora Rūnanga o Wairarapa, and Māori health and social services providers have an opportunity to submit on the policy.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impacts or considerations resulting from the decision

in this report.

NEXT STEPS

Below are the indicative timeframes for the two options.

Option 1 – Agree to consult on a common policy for consultation	Option 2 – Reconfirm the decision to consult on a more restrictive policy
<ul style="list-style-type: none"> - 24 October – 24 November: Consultation period (subject to confirmation with CDC and SWDC) - Mid December: WPWG hearing/deliberations - February 2024: Adoption of final policy 	<ul style="list-style-type: none"> - Mid-late October: Material prepared for WPWG meeting - Early November: WPWG meeting - Mid November – draft amended policy and Statement of Proposal (dependent on outcome of WPWG) - 22 November (SWDC) and 6 December (CDC/MDC): WPWG recommendations considered by Wairarapa District Councils <p><i>Dependent on decisions made:</i></p> <ul style="list-style-type: none"> - Mid January – Mid February 2024: Consultation Period - Hearings/deliberations: Late February 2024: Hearings/deliberations - March/April 2024: Adoption of final policy

ATTACHMENTS

Nil