

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

The following analysis has been prepared as a record of the consideration given by the Council while reviewing the Revenue & Financing Policy for inclusion with the **2018-28 Long Term Plan**. The analysis has not been updated for the 2021-31 Long Term Plan due to resourcing issues related to COVID-19 during 2020. The Council was unable to programme in a review of the Revenue & Financing Policy (including a section 101(3) analysis). This work is scheduled for the second half of 2021.

Activity	Who Benefits and how should it be funded	Allocation of Cost
Subsidised Roothing	<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. 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 NZ Transport Agency (NZTA). Local petrol taxes can 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 wards to recognise the different expenditure levels in each ward. Land values best reflect productive use of land that the roading network serves (in preference to Capital Values).</p> <p>Renewals are done as part of the roading programme approved to attract the NZTA subsidy and so are funded by both subsidy and rates. Asset additions (e.g. seal extension) are done as part of the subsidised programme if possible, but if it does not qualify for subsidy, direct beneficiaries of the upgrade should pay the equivalent of the subsidy.</p>	<p>The NZTA subsidy base rate is 57%.</p> <p>The current Land Value split between urban and rural wards is 44/56 (urban/rural) excluding the non-residential differential. The average ratio of spending in the subsidised programme for the first three years of the 2021-31 LTP is 31/69 (previously 26/74). Use of a General Rate would need a differential applied between the three wards to ensure equity. To ensure rural ratepayers are paying the cost of the service being provided, the costs will be allocated 31/69 between rating wards (urban/rural) before rating tools are selected.</p> <p>The Council has chosen to recognise the public benefit of the roading network by allocating 30% of the rates required to fund the costs of subsidised roading in each ward, by way of a targeted charge in each ward. The balance to be funded within each ward, 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>

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Non-Subsidised Rooding – Rural	The non-subsidised rooding costs that are specific to the rural ward are a benefit to ratepayers in that ward, so should be allocated in full to the rural ward	The rates required are allocated on the same basis as the rural ward share above, i.e. split between a targeted Rooding Charge (currently collecting 30%) and LV Rooding rate (70%).
Non-Subsidised Rooding – Urban	<p>The non-subsidised rooding and footpath costs include street verge mowing, 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 ward and past practice has been all costs are allocated to the urban ward. 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 footpaths are funded via a depreciation reserve that is funded by annual rates.</p>	The rate funding required is currently 100% from the urban ward and collected via the targeted Rooding Rate based on land values.
Urban Water Supply	<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. The private benefit is assessed at 60% of the costs.</p> <p>Council does not yet have universal water meters on urban properties connected to the water supply network, so charging on the basis of usage is not possible. Water meters will be introduced in years 2 and 3 of the LTP.</p> <p>Council has introduced meters to measure usage of major commercial users with the intention of charging for usage at some time in the future.</p> <p>Those connected properties outside the urban area do generally have water meters and are charged based on usage.</p> <p>Renewal of the infrastructure is undertaken with a mixture of loan funding and use of depreciation</p>	<p>The funding requirement, after deducting income from rural metered properties, is allocated by way of:</p> <ul style="list-style-type: none"> • 25% 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 the service evenly across all properties. The modification from 40% to 25% have been done per section 101(3)b – to spread the impact of valuation changes. • The balance of 75% 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

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	reserves. Financial contributions are required from developers (per the District Plan) to fund upgrading of the infrastructure and expansion of the area serviced.	recognise the ability to access the infrastructure. The Council will be installing water meters on all 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.
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 30 properties but the full costs of the supply make it uneconomic to charge full cost recovery, hence a general rural ratepayer subsidy of approximately 65% is provided for in funding the scheme.</p> <p>Taueru water supply – targeted charge</p> <p>Upper Plain water supply – targeted charge</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 differential general Sundry Facilities and Services capital value rate.</p>
Urban Sewerage	<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 (public) benefit versus private benefit is assessed at 50/50.</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 the level and nature of trade waste discharges, the funding generated is minor.</p>	<p>Trade waste charges and septic tank waste charges generate income before the rates required from all serviced properties are calculated.</p> <p>The funding requirement (from rates) is funded by way of:</p> <ul style="list-style-type: none"> • 25% 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 75% 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</p>

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	<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>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>
Rural Sewerage	<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 new 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 16 equivalent connections.</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> <ul style="list-style-type: none"> 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 40 properties are paying off their contribution over 20 years. <p>A Tinui sewerage rate is charged to cover the operating costs of the small reticulation network and ponds. A 25% general rural ratepayer subsidy is allowed for on the basis of affordability. A capital contribution rate is charged on 8 of the 20 connections as they pay off</p>

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		their share of the costs of upgrading the scheme.
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 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. Renewals will be funded by way of depreciation reserves.</p>	<p>The rates required are funded as part of the targeted urban Sundry Facilities and Services Rate, charged on capital value.</p> <p>The proportionately larger benefit received by commercial (CBD) properties is a further justification for the commercial differential.</p>
Stormwater - rural	Both Riversdale and Castlepoint beaches have a number of stormwater assets in place. The value of these is significant but operating costs are minimal.	The Riversdale 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 fully 'private', as the generators of the waste should pay the cost of disposing of it. By charging a full cost recovery for the service, the pricing also acts as an incentive to reduce waste volumes, thereby contributing to an 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.</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>
Urban Transfer Station	The provision of a landfill/transfer station contributes to a tidy, clean, healthy and safe environment.	Users can be identified and charged by way of a weighbridge and manned gate fee kiosk.

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	<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>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>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 closure costs are not appropriate to fund from current waste volumes.</p> <p>The balance of costs 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.</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>Private 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 composting and recycling.</p>	<p>User charge income is collected for composting with charges set to recover approximately 80% of the costs.</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 general Sundry Facilities 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	Recycling has environmental benefits through the reduced use of resources. It	<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 uniform basis and charged on every</p>

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	<p>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 Council is prepared to provide the collection service in the urban area and has also introduced a service in some rural areas.</p> <p>The cost recovery needs to include a share of the contract costs for handling the recyclable materials, as well as the cost of the collection.</p>	<p>separate used or inhabited portion of a rating unit in the serviced areas.</p> <p>If a food waste collection is implemented, 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 32% 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. 68%) is allocated 90/10 between rural and urban respectively. In the urban area the cost is included in the differential general Sundry Facilities Rate. In the rural ward, after the targeted beach collection rate, the balance is part of the rural Uniform Annual Charge.</p> <p>Additional targeted rates will be considered in future years.</p>
Parks & Reserves	<p>Public 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), is funded in the urban ward by a differential targeted rate based on CV. In the rural ward it is funded as part of</p>

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	<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>the rural Targeted Uniform Charge (TUC).</p> <p>The varying rating treatment between wards is needed because the Civic Amenities CV rate is only applied in the urban ward where the parks amenity values are seen to enhance all other property values. The use of the TUC in the rural ward 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>
Sportsfields	<p>The provision of sportsfields 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 sportsfield for the intended sport. Variations may be made on a case by case basis. Rate remissions are also applied to sportsfields.</p>	<p>User charges generate approximately 5% of operating costs.</p> <p>The net operating cost is funded in the rural ward 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 ward as the sportsfield amenity values are seen to enhance all other property values.</p>
Recreation Centre	<p>Public 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>Private benefits accrue to individual users through their use in a controlled environment, whether as swimmers, spectators, sports participants or event</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>The balance of the operational funding required is via the Targeted Uniform Charge (TUC) in both urban and rural wards. Not all depreciation is funded</p>

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	<p>organisers. Private 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>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>Public 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 assessed at 60% 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>The 40% public share is recovered via the TUCs in the urban and rural wards. 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>Public 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>Private 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, fines and grants currently recover approximately 7% of operating costs.</p> <p>Rates funding is expected to cover the remaining 93% of library costs. Rates funding is levied as part of the Target Uniform Charge (TUC) in both urban and rural areas.</p>

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Archive	<p>Public 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>Private 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>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.</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 chose to hire out rooms to the public in Waiata House. Private benefit accrues to venue hirers. The Council organisation will utilise the Waiata House office space and a market rental is identified to be charged internally. Other office space leased by the Council will be charged to activities internally.</p>	<p>Venue hire income recovers approximately 2% of costs, internal rental income recovers some 33% of costs. The remaining public benefit of 66% is charged as part of the differential targeted Sundry Facilities CV rate.</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 Performing Arts & Events 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>The Council has had a policy no ratepayer funding subsidising the activity – i.e. the private benefit of the accommodation should be 100% user pays. However by holding rents to 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.</p>	<p>The Council (in 2015) has chosen to fund up to 10% of the activity's operating costs from rates to supplement the user pays income. There remains a funding shortfall of around 30% which is unfunded. If the Council rebuilds in the future both loans and Government subsidies would be the principal elements of the capital funding.</p> <p>Capital renewals and major redecoration costs are funded from depreciation reserves.</p>

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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. Any shortfall is charged as part of the differential general Sundry Facilities CV rate.</p> <p>Asset purchases are funded from general capital reserves.</p>
Public Conveniences	<p>Public 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 private 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>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>Private 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 5% user charges recovery is expected.</p>	<p>Of the rateable costs, 95% are allocated to the rural ward. 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>
Forestry	<p>A public benefit is seen in the utilisation of otherwise unproductive land to produce a return to ratepayers.</p> <p>Costs associated with the management of roadside forestry are charged to the non-subsidised rural roading activity.</p>	<p>After the allocation of costs to roading, the residual costs are rated as part of the Targeted Uniform Charge in both urban and rural wards. 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</p>	<p>Ground leases are set based on market rentals. A landing charges regime is in</p>

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	<p>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 10% of operating costs.</p> <p>Private users benefit from access to 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>place. Special events (such as air shows) pay per use. The user charge income target is 80% to 90% of costs.</p> <p>The balance of costs is funded from rates.</p> <p>Rates funding is charged as part of the differential targeted Sundry Facilities CV rate.</p> <p>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.</p>
Resource Management and Planning	<p>Public benefits arise from the application of a consistent set of rules for sustainable management of the District's resources. 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. 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>Consent fees are set to recover approximately 20% of the costs of providing advice and processing consents.</p> <p>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 85% of costs via the differential targeted Regulatory Services rate.</p> <p>Financial contributions charged under the District Plan are included as revenue in this activity but are not used to offset operating costs – they are transferred directly to reserve funds.</p>
Building Services	<p>The public benefits through the Council enforcing legislative standards being applied to buildings and construction.</p> <p>Private 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 15% of the costs of the activity.</p>	<p>The percentage funded by consents is 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 public benefit is in the maintenance of food hygiene standards of food premises.</p> <p>Liquor licensing contributes to public health and safety. Water supply</p>	<p>Monitoring and compliance work done for Council functions such as water supplies, sewerage and solid waste are</p>

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	<p>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>Private 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 35% of costs. There are public safety benefits from the monitoring and control of nuisances such as abandoned vehicles, wandering stock, 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. 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>charged out internally to those activities.</p> <p>Liquor licensing fees are set by Council via the Local Alcohol Policy.</p> <p>The 35% of costs which are recovered via rates are included in the differential targeted Regulatory Services Rate charged on capital value.</p> <p>A 10% target has been set for recoveries.</p> <p>The rates required are included in the differential targeted Regulatory Services Rate charged on capital value.</p>
Parking	<p>Public 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.</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 is greater than the activity's costs so generates a surplus – this is used to offset the rates charged for economic development and providing amenities in the CBD (Security cameras, under-verandah lighting etc).</p>
Dog Control	<p>General public benefits arise through the enforcement of dog control legislation. Benefits include safety,</p>	<p>Dog control registration fees are set to recover the majority of costs of this activity. Other income is generated by way of infringement fines and pound fees.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	<p>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>The Council believe an 85/15 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 ward.</p>
Civil Defence & Emergency Management	<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>The rates required for Emergency Management are included in the differential targeted Regulatory Services Rate charged on capital value.</p>
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 five (5) councillors elected at large plus four (4) urban and one (1) rural councillor.</p> <p>Hence an 80% Urban & 20% Rural split for the allocation of costs is considered appropriate.</p>	<p>40% of costs are allocated as overheads. The balance of 60% is to be rated based on the differential targeted Representation & Development Rate based on Capital Values (CV). Allocation between urban and rural wards is modified to be on population, as Council consider all councilors 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. 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, hence Council cost is considered to be 100% public benefit.</p>	<p>100% funded by the differential targeted Representation & Development Rate based on CV.</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'. Some one-off grants to community groups for facilities can be funded from Council's reserves funds.</p>

Activity	Who Benefits and how should it be funded	Allocation of Cost
	Environmental initiatives are included in this category of costs.	
Arts & Culture	<p>The community 'well-being' benefits (i.e. quality of life) include a better informed and educated community through 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 and that private benefit is assessed at 20% of the costs of the activity.</p> <p>Consequently, the Council's service contract with the Wairarapa Cultural 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>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 best available measure of 'ability to pay'.</p>
Economic Development and Promotion	<p>Public benefits include supporting the local business sector and economy through running an in-house economic development unit and funding the tourism agency Destination Wairarapa and providing support and funding for a range of events and promotions.</p> <p>There are private benefits to businesses and tourism operators, who pay separate subscriptions to Destination Wairarapa. Special project grants may be funded as one-offs from Council reserve funds.</p>	<p>100% funded by the differential targeted Representation & Development Rate based on CV.</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> <p>A targeted rate on commercial area businesses has been considered, but this was not pursued given that the loading of the commercial differential on businesses already has a similar effect.</p>
CBD Amenities	<p>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>Operating costs 100% funded by a differential targeted rate based on CV.</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> <p>User pays is not practicable and a targeted rate on commercial area businesses has been considered but not pursued given that the loading of the commercial differential on businesses already has a similar effect.</p>