

Section E: Policies

This section contains:

- Policy Statement on Council Controlled Organisations.
- Policy on Appointment of Directors to Council Controlled Organisations.
- Revenue and Financing Policy.
- Policy on Significance.

Creating a better future with vibrant communities and thriving business.



Policy Statement on Council Controlled Organisations

Inframax Construction Ltd

Inframax Construction Ltd (ICL) is a Roading Construction and Maintenance Company wholly owned by the Waitomo District Council as a Council Controlled Organisation subject to the Local Government Act 2002.

As in the past, the Council will continue to evaluate its investment in ICL having regard to the impact of its decisions on the wider social and economic well-being of the District community, in accordance with the Local Government Act 2002.

ICL's corporate purpose is to operate as a provider of roading construction, roading maintenance, aggregate quarrying and crushing and other infrastructural services.

In November 2011 Council approved a recovery plan proposed by the ICL Board of Directors. This recovery plan is to be followed by ICL and Council is supporting the company through the recovery phase.

Should Council find that the Board of ICL does not follow the recovery plan then Council will reassess its level of support to the company in compliance with Sections 76-82 and 101 of the LGA 2002.

1.1 Performance Targets for 2012/2014

	INFRAMAX SOI		
	2012/13	2013/14	2014/15
Return on Equity - Net Profit before Subventions and Tax as percentage of average Shareholders Funds.	-	-	-
Equity Ratio - Average Shareholders funds expressed as percentage of Average Total Assets.	0.5%	2%	9%
Dividend - Fixed dividends provided for and subvention paid.	\$0	\$0	\$0
Health and Safety - To achieve a Lost Time Injury Accident (LTI) rate of:	Zero Injuries	Zero Injuries	Zero Injuries

Independent Roadmarkers Taranaki Ltd

Independent Roadmarkers Taranaki Limited (IRT) is a wholly owned subsidiary of Inframax Construction Limited.

Inframax Construction Ltd (ICL) is a Council Controlled Organisation subject to the Local Government Act 2002.

As in the past, the Council will continue to evaluate its investment in IRT having regard to the impact of its decisions on the wider social and economic well-being of the District community, in accordance with the Local Government Act 2002.

IRT's corporate purpose is to operate as a provider of road and highway paint marking, car-park and sports court paint marking, associated traffic management and all other services associated with traffic marking systems.

2.1 Performance Targets for 2012/2014

	2012/13	2013/14	2014/15
Return on Equity - Net Profit before Subventions and Tax as percentage of average Shareholders Funds.	To be greater than 6%	To be greater than 9%	To be greater than 9%
Equity Ratio - Average Shareholders funds expressed as percentage of Average Total Assets.	50%	50%	50%
Dividend - Fixed dividends provided for and subvention paid.	\$0	\$0	\$0
Health and Safety - To achieve a Lost Time Injury Accident (LTI) rate of:	Zero Injuries	Zero Injuries	Zero Injuries

Local Authority Shared Services (LASS)

Background

The local authorities within the boundaries of the Waikato Region have worked closely together over a number of years on mutually beneficial joint projects. These projects have demonstrated the benefits that can be gained both in terms of outcomes achieved and the reduction in costs to the community.

Taking this initiative a step further, the local authorities have begun developing new shared service initiatives, including a valuation database to provide on-line updated information for all Council's. Taking this initiative and putting it to a formal context has resulted in the formation of Local Authority Shared Services (LASS) Limited.

The Council has an equal share, with each of the 13 local authorities situated within the boundaries of the Waikato region, in LASS Ltd. The principal objective is for the Company to provide the most effective access to regional information of mutual value to the regional community using modern technology and processes. This Company will also be used as an umbrella for future development of shared services through the Region.

Shareholders

Local Authority Shared Services Limited is jointly owned by 12 local authorities:

- Waikato Regional Council
- Hamilton City Council
- Hauraki District Council
- Matamata-Piako District Council
- Otorohanga District Council
- Rotorua District Council
- South Waikato District Council
- Taupo District Council
- Thames-Coromandel District Council
- Waikato District Council
- Waipa District Council
- Waitomo District Council

Council Policies and Objectives relating to Council Controlled Organisations

The Constitution of LASS Ltd sets out the principles and expectations around how the company will be governed and operated. While Council has no formal policies and objectives, it has become a Shareholder on the basis that the Company will develop products and services of significant benefit to Waitomo residents and ratepayers.

Nature and Scope of Current Activities

There are currently two major operations under the LASS umbrella.

- (a) Firstly, the Shared Valuation Data Service (SVDS). This operational system is providing both timely and accurate valuation data to member councils and shareholders. The SVDS has become the accepted valuation service in the region, and the service is showing interest from councils outside the present shareholders.

- (b) Secondly, the Waikato Regional Transportation Model (WRTM). This model is now complete, has passed all its pre-operational peer reviews and became operational in early 2011. This Model, built within its budgeted cost, provides accurate information to councils for their transport modelling requirements. It is expected that this model will become the industry standard, and it is already attracting interest from councils outside the shareholding area.

Performance Targets

The performance targets relate to the level of services that are current or under development. It is envisaged that these targets will expand as new services are developed.

1. **Shareholder Survey:** The Company will carry out an annual survey of shareholders to assist the Directors in developing improvements on behalf of the shareholders, and to receive a majority of shareholder approval on the service provided.
2. **Costs Control:** Administration expenditure shall not exceed that budgeted by more than 5% unless prior approval is obtained from the Directors.
3. **Cashflow:** The Company maintains an overall positive cashflow position.
4. **Reporting:** The Board will provide a written report on the business operations and financial position of the LASS on a six-monthly basis.
5. **Statutory Adherence:** There will be an annual report to Directors that all statutory requirements of the LASS are being adhered to.
6. **SVDS Availability:** That SVDS is available to users at least 99% of normal working hours.
7. **SVDS Sales Data Delivery:** That at least 98% of agreed timelines are met for sale and property files that have been delivered to the FTP server for access to customers.
8. **SVDS Major Enhancement Development Hours:** That over 50% of the Interagen support hours is spent on major development work.
9. **WRTM:** That all required modelling reports are actioned with the required timeframe.
10. **WRTM:** That a full report on progress of the model be provided to the LASS Board twice each year.

Policy on Appointment of Directors to Council Controlled Organisations

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1.0 PURPOSE

- 1.1 The purpose of this policy is to set out, in accordance with Section 57 of the Local Government Act 2002 (the "Act") an objective and transparent process for:
- Identifying and considering the skills, knowledge and experience required of directors of a Council organisation.
 - Appointing directors to a Council organisation.
 - Determining the remuneration of directors of a Council organisation.

2.0 OBJECTIVES OF THE POLICY

- 2.1 The objectives of this policy are:
- To comply with section 57 of the Local Government Act 2002.
 - To disclose the process and criteria Council will apply to the appointment, removal and setting of remuneration for directors of Council organisations.
 - To outline the consultation process (if any) to be undertaken with the community on appointment and remuneration.

3.0 DEFINITIONS

- 3.1 The term "Council organisation" ("CO") is used as defined in Section 6 of the Act.
- 3.2 The Act also creates two sub-categories of COs – "Council-controlled organisations" ("CCOs") and "Council-controlled trading organisations" ("CCTOs").
- 3.3 The Council currently has interests that fall into the latter category only - (i.e. CCTO).

3.4 Meaning of "Council organisation"

In broad terms, a CO is an organisation in which the Council has a voting interest or the right to appoint a director, trustee or manager (however described). This is a wide-ranging definition, covering a large number of bodies.

3.5 Meaning of "Council-controlled organisation"

A CCO is a CO in which one or more local authorities control, directly or indirectly, 50% or more of the votes or have the right, directly or indirectly, to appoint 50% or more of the directors, trustees or managers (however described).

3.6 Meaning of "Council-controlled trading organisation"

A CCTO is a CCO that operates a trading undertaking for the purpose of making a profit.

4.0 SCOPE OF POLICY

- 4.1 When Council is involved with CCOs and CCTOs under the definitions of Section 6(1) of the LGA, Council will disclose its interests in these organisations in the 2012-22 LTP.

5.0 CRITERIA FOR SELECTING DIRECTORS (GENERAL)

5.1 General Criteria

Council will appoint persons as directors of CCO's and CCTO's under the criteria outlined in Section 57(2) of the LGA, specifically, persons that Council considers have the skills, knowledge and experience to:

- Guide the organisation given the nature and scope of its activities
- Contribute to the achievement of the objectives of the organisation.

5.2 Skill Criteria

Council considers that any person that it appoints to be a director of a CCO or CCTO should clearly demonstrate the following skills/attributes:

- Intellectual ability
- Business experience or other experience, skills or qualifications that are relevant to the activities of the organisation

- Sound judgement
- High standard of personal integrity
- Ability to work as a team member
- Understanding of governance issues.

5.3 Specific Exclusions from Directorship of a Council Controlled Organisation

No person shall be appointed as a director of a CCO or CCTO who:

- Has served a jail sentence of three months or longer or has been convicted of a crime that carries such sentence.
- Has been convicted of fraud, theft, robbery or larceny.
- Has been declared bankrupt at any point in time or been the director of a company at the time it was placed in receivership or liquidation.

6.0 PROCEDURES FOR APPOINTMENT OF DIRECTORS (GENERAL)

6.1 Appointment Process

When vacancies arise in the directorship of any CCO or CCTO, Council will follow the following appointment process:

- Council will decide whether to advertise a particular vacancy or make an appointment without advertisement, and outline the process for appointment and setting of remuneration including:
 - Recruiting of candidates,
 - Contract development and negotiation,
 - Ongoing performance monitoring.
- When taking a decision on this matter, Council will consider:
 - The costs and benefits of any advertisement,
 - The availability of qualified candidates,
 - The urgency of the appointment,
 - The degree of public interest in the issue.
- Council will consider applications and resolve an appointment in committee (this protecting the privacy of natural persons). Public notice of the appointment will be made as soon as practicable after Council has made its decision.
- An elected member who is under consideration to fill a particular vacancy may not be present in the discussion or vote on that appointment.

6.2 Length of Tenure

Council will decide length of tenure prior to appointment.

6.3 Remuneration

Remuneration will be determined on a case by case basis taking in to account the size, form and purpose of the organisation, any previous level of fees paid by the shareholder and any other relevant requirements contained in the organisation's constitution.

6.4 Removal of Directors

Directors appointed to CCO's or CCTO's by Council are in the role at the pleasure of Council. Council may terminate a director's appointment at any time by way of written notice.

6.5 General

Council expects that directors appointed to CCO's and CCTO's will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations, Council requires directors to follow the provisions of the New Zealand Institute of Director's Code of Ethics for Partnerships, Joint Venture and Other Arrangements that are not companies, and the provisions of the Companies Act 1993. All directors are appointed at the pleasure of the Council and may be dismissed for breaches of these stated documents.

7.0 PROCEDURES FOR APPOINTMENT OF DIRECTORS TO INFRAMAX CONSTRUCTION LIMITED

NOTE: This section is to be read in conjunction with the Constitution of Inframax Construction Limited.

7.1 Appointment Process

Directors on the board of Inframax Construction Limited (ICL) will be appointed by way of Council resolution on receipt of advice/recommendation by the Shareholder Representative Committee. The Shareholder Representative Committee will provide advice to Council on the following matters:

- Whether to advertise a particular vacancy or make an appointment without advertisement, and outline the process for appointment and setting of remuneration including:
 - Recruiting of candidates,
 - Contract development and negotiation,
 - Ongoing performance monitoring.
- In preparation of this advice the Shareholder Representative Committee will consider:
 - The costs and benefits of any advertisement,
 - The availability of qualified candidates,

- The urgency of the appointment,
 - The degree of public interest in the issue.
- c) The Shareholder Representative Committee will select and interview a shortlist of candidates, undertake a structured evaluation and make recommendation to Council for final approval. Council may consider applications and resolve an appointment in committee (this protecting the privacy of natural persons). Public notice of the appointment will be made as soon as practicable after Council has made its decision.
- d) An elected member who is under consideration to fill a particular vacancy may not be present in the discussion or vote on that appointment.

7.2 Appointment of Temporary Directors

Temporary directors for ICL will be appointed by the Shareholder Representative Committee.

7.3 Remuneration

The Council will set ICL directors' remuneration either by resolution at the Annual General Meeting or by way of resolution of Council. The resolution will state whether the remuneration is set as a fixed cap for Board Remuneration, to be allocated by the Board, or specifying the salaries to be paid to the directors and chairperson.

Remuneration for directors will be determined by an analysis of market rates for comparable positions at the time appointment(s) are being made and thereafter assessed every three years.

7.4 Removal of Directors

The Shareholder Representative Committee may terminate the appointment of an ICL director at any time by way of written notice.

8.0 WAITOMO DISTRICT COUNCIL CONTROLLED ORGANISATIONS

8.1 Companies in which Waitomo District Council directly owns the shares

- Inframax Construction Limited
- Independent Roadmarkers Taranaki Limited (Subsidiary of Inframax).

8.2 Council Controlled Trading Organisations in which Waitomo District Council holds shares

- Local Authority Shared Services Ltd (LASS).

8.3 Other Entities

- NZ Local Government Insurance Corporation.

Revenue and Financing Policy

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1.0 INTRODUCTION

1.1 Background

1.1.1 Under the LGA 2002 (LGA 2002), all local authorities are required to adopt a Revenue and Financing Policy. Council adopted its previous Revenue and Financing Policy in 2009 after reviewing the policy as an amendment to the 2006-16 Long Term Council Community Plan (2006-16 LTCCP) in conjunction with the 2008/09 Annual Plan. The Policy was further amended as part of the development of the 2012-22 long-term plan (LTP) where after it was tested for applicability and further amended in the 2010/11 Exceptions Annual Plan.

1.1.2 The Policy had its origin as the Funding Policy established in terms of the Local Government Amendment Act (No. 3) 1996. Council was required to follow a **three-step** process in determining how costs were shared and funding tools were selected.

- At the first step, costs were allocated on the basis of 'beneficiary pays' or 'exacerbator pays' principle.
- At the second step, cost allocation made at Step 1 could be modified, if desired,

to accommodate considerations such as fairness, equity, transitional impacts and Council policies.

- In the final step, the appropriate funding tools were selected.

While there is no fundamental change to the substance of these funding criteria, the process involved in the development of a Revenue and Financing Policy is different under the LGA 2002. Council is also required to identify community outcomes and consider the current and future economic, social, environmental and cultural well-being of the community in addition to economic principles relating to cost sharing.

- 1.1.3 This document provides details of Council's policies in respect of funding operating and capital expenditure, including how the policy was developed and what sources are used to fund the different activities. Total funding comprises a funding mix of rates, fees and charges, debt and other income.
- 1.1.4 The application of the Revenue and Financing Policy is reflected in the Funding Impact Statement for a particular financial year. To understand the rating impact of the policy it needs to be read in conjunction with the Funding Impact Statement.

1.2 Policy Intent

- 1.2.1 The purpose of this Policy is to clearly and transparently demonstrate how and why each significant activity of Council is funded.

2.0 LEGAL REQUIREMENTS

2.1 Local Government Act 2002

- 2.1.1 Section 102(1) of the LGA 2002 requires Council to adopt a Revenue and Financing Policy. Section 103 states the requirements of the policy:

2.2 Section 103 Revenue and Financing Policy:

- (1) A policy adopted under section 102(1) must state –
 - the local authority's policies in respect of the funding of operating expenses from the sources listed in subsection (2)
 - the local authority's policies in respect of the funding of capital expenditure from the sources listed in subsection (2).
- (2) The sources referred to in subsection (1) are as follows:
 - general rates, including –
 - choice of valuation system
 - differential rating
 - uniform annual general charges;
 - targeted rates;
 - lump sum contributions;

- (c) fees and charges;
- (d) interest and dividends from investments;
- (e) borrowing;
- (f) proceeds from asset sales;
- (g) development contributions;
- (h) financial contributions under the Resource Management Act 1991;
- (i) grants and subsidies;
- (j) any other source.

- (3) A policy adopted under section 102(1) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).

2.3 Section 101(3) states:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

- (a) in relation to each activity to be funded –
 - (i) the Community Outcomes to which the activity primarily contributes.
 - (ii) the Distribution of Benefits between the community as a whole, any identifiable part of the community, and individuals.
 - (iii) the period in or over which those benefits are expected to occur.
 - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
 - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
- (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

2.4 Section 14 Principles relating to Local Authorities

2.4.1 This section lists some general principles that a local authority must act in accordance with, when performing its role and conducting its business. In summary, local authorities are required to be:

- Open, transparent and accountable.
- Efficient and effective.
- Aware of and pay regard to the views of its communities.
- Focused on meeting Community outcomes.
- Responsive to diverse community interests including future generations.
- Collaborative with other local authorities.
- Inclusive of Maori.
- Based on sound business practices in the case of commercial transactions.

- Assess the expected returns of investments and assess if they are likely to outweigh the risks inherent in the investment
- Demonstrative of prudent stewardship of resources.
- Based on a sustainable approach reflecting the social, economic, environmental and cultural well-being of future generations.

2.5 Other Legal Requirements

2.5.1 While the Revenue and Financing Policy is governed by the LGA 2002, there are other legislations that are relevant for determining appropriate funding mechanisms such as:

2.6 Local Government (Rating) Act 2002

2.6.1 The Local Government (Rating) Act 2002 (LGRA 2002) replaced the Rating Powers Act 1988 and provides simplified procedures for changing the rates system and greater flexibility in setting targeted rates. The LGRA 2002 sets out all the legal requirements for rating. It covers who is liable to pay rates, what land is rateable, what kind of rates may be set and how those rates are set, the valuation systems which may be used and the various rating mechanisms available (such as targeted rates). It also sets a number of limits on local government. For example, total uniform charges (excluding any UAC for water or wastewater) may not exceed 30% of total rates revenue.

2.7 Building Act, Sale of Liquor, etc

2.7.1 A number of Acts, such as the above, set out statutory fees for various types of regulatory services. These fees may not be exceeded. Where fee setting is up to the local authority, there is often a general legal requirement for this to be "fair and reasonable". The Dog Control Act 1996 determines that revenue collected under authority of that Act may only be used to defray expenses incurred in the provision of this activity.

2.8 Resource Management Act 1991

2.8.1 The Resource Management Act 1991 (RMA 1991) sets out Council's responsibilities in terms of the environment. It also specifies the circumstances in which local authorities may require financial contributions from developers to meet the costs of their impact on the environment, including their impact on the demand for infrastructure. Alternatively, under the LGA 2002, local authorities are allowed to seek development contributions or a combination of development and financial contributions under the respective Acts.

3.0 POLICY STATEMENT

3.1 Funding Of Operating Expenditure

3.1.1 Where expenditure does not create a new asset for future use, or extend the lifetime or usefulness of an existing asset, it is classed as operating expenditure.

- 3.1.2 Council funds operating expenditure from the following sources:
- General Rates
 - Uniform Annual General Charge
 - Targeted Rates
 - Fees and Charges
 - Interest and Dividends from investments
- 3.1.3 Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years.
- 3.1.4 Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The process used is as specified by the LGA 2002.
- 3.1.5 The Funding Impact Statement produced each year (as required by LGA 2002) shows the impact of the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

3.2 Funding Of Capital Expenditure

- 3.2.1 Capital expenditure is the spending on creation of a new asset, or extending the lifetime of an existing asset. Capital expenditure can also be incurred to improve the level of service provided by the asset.
- 3.2.2 The following sources are available for Council to fund capital expenditure:
- Grants and Subsidies
 - Loans
 - Rates
 - Proceeds from Asset Sales
 - Depreciation Reserves
 - Financial Contributions under the Resource Management Act
 - Development Contributions under the Local Government Act
 - Other.

4.0 POLICY DEVELOPMENT PROCESS

In developing the Revenue and Financing Policy and determining the appropriate funding sources for each activity, Council considered each activity against the principles laid out in LGA 2002. These are:

4.1 Community Outcomes

- 4.1.1 These are the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district. Section 101(3)(a)(i) of the LGA 2002 requires that in determining the funding

sources, Council identify the Community Outcome to which each activity primarily contributes.

- 4.1.2 This Revenue and Financing Policy lists for each group of activities, the outcomes to which it primarily contributes, and states why each activity is undertaken.

4.2 Distribution of Benefits

- 4.2.1 Section 101(3)(a)(ii) of LGA 2002 requires costs to be allocated where the benefits lie. Council assessed the Distribution of Benefits for each activity, whether the benefits flowed to the District as a whole, or to individuals or identifiable parts of the community.
- 4.2.2 In order to assess the Distribution of Benefits, it is necessary to first describe and define the different types of benefits that flow from Council activities.

Definition of Terms

National Benefit	Benefits the nation and is public in nature.
District Benefit	Benefits the whole District and is public in nature.
Regional Benefit	Benefits the Region and is public in nature.
Commercial Benefit	Benefits the commercial sector and has elements of both public and private benefit.
Community Benefit	Benefits a particular Community of Interest and is public in nature.
User Benefit	Benefits an identifiable individual, group, or community segment.
Applicant	Benefits an Identifiable individual, group or community segment.
Offender / Exacerbator	The cost is the result of offenders, or ones who exacerbate a problem.

4.3 Period Of Benefits (Intergenerational Equity)

- 4.3.1 Section 101(3)(a)(iii) requires the consideration of intergenerational equity – the principle that costs of any expenditure should be recovered over the time that the benefits of the expenditure accrue. This principle applies particularly to the allocation of capital expenditure and results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it.
- 4.3.2 These principles of funding operating and capital expenditure are as stated in the Policy Statement section of this policy. They are assumed to apply to each activity, unless otherwise stated in the individual Activity Analysis section.

4.4 Exacerbator Pays

4.4.1 Section 101(3)(a)(iv) requires Council to assess the extent to which each activity is undertaken to remedy the negative effects of the actions or inaction of an individual or group. It is important to note that the actions themselves may not be negative or "bad" but they may have negative effects on the whole community.

This principle (exacerbator or polluter pays principle) is particularly relevant to Council's regulatory functions and other activities undertaken to mitigate the adverse effects on the environment.

4.4.2 The Exacerbator Pays principle suggests that Council should, where it is practical; recover any costs directly from the individual or group that contributes to the deterioration of a situation or to a cost that is a direct result of their actions.

4.4.3 Most activities do not exhibit exacerbator pays characteristics. This heading is only included in the analysis of those activities which do demonstrate such characteristics.

4.5 Costs and Benefits

4.5.1 This consideration includes transparency, accountability and some assessment of the cost efficiency and practicality of funding a particular activity separately.

4.5.2 Transparency and accountability are most evident when an activity is totally distinctly funded. This allows rate-payers, or payers of user charges as the case may be, to see exactly how much money is being raised for and spent on the activity. However, funding every activity on such a distinct basis would be extremely administratively complex. The administrative costs and lack of materiality has led Council to fund a number of activities collectively. The individual Activity Analysis section of this policy does not repeat this argument for each activity.

4.6 Overall Impact of the Funding Mechanisms Selected

4.6.1 The final step in Council's process of developing the Revenue and Financing policy has been to consolidate the results of the individual activity analysis and consider these results in terms of Section 101(3)(b), whereby the overall impact on the community needs to be assessed. The impact was assessed on the current and future social, economic, environmental and cultural well-being of the community, and any adjustments required to the funding allocations have been made in the Activity Analysis sections.

4.7 Use of Funding Mechanisms

4.7.1 The funding sources available to a local authority are set out under the LGA 2002 and the LGRA 2002. Presented below are descriptions of the available funding sources.

(a) General Rate

The General Rate is set under Section 13(2)(a) of the LGRA 2002 and has been used to part fund the activities of Leadership, Community Development, Community Facilities, Regulation and Safety, Resource Management, Investment and Solid Waste Management. It is set according to the Revenue and Financing Policy for these services. The General Rate is a rate in the dollar on capital value applied to all properties in the District. A General Rate is used according to the Revenue and Financing Policy, when:

- Council considers that a capital value rate is fairer than the use of other existing rating tools for the service funded; and
- Council considers that the community as a whole should meet costs of the function; and
- Council is unable to achieve its user charge targets and must fund expenditure; or
- Council favours use of the UAGC but is constricted by the 30% cap (Section 21).

(b) Uniform Annual General Charge (UAGC)

The UAGC, levied on each separately used or inhabited part of a rating unit, is set under Section 15 of the LGRA 2002 and has been used to part-fund the activities of Leadership, Community Development, Community Facilities, Regulation and Safety, Resource Management, Land Transport and Solid Waste Management. It is set according to the Revenue and Financing Policy for these services.

UAGC is levied on each separately used or inhabited part (SUIP) of a rating unit to:

- Ensure equity in bearing the cost liability of a service (or part of service) which is deemed equally beneficial to all
- Ensure that those with multiple use pay a fair share
- Provide a consistent treatment between all uniform charges.

The UAGC is essentially in the same category as the General Rate with both being used to fund the District Benefit allocation.

Council's decision on the inclusion of a UAGC at its current level into the funding 'toolkit' was made to ensure, that the level of the UAGC is 'balanced' (i.e. is as fair as possible to all ratepayers) and that it does not unduly disadvantage any individual or group of ratepayers in terms of the principles of affordability and sustainability.

In setting the UAGC, based on the Revenue and Financing Policy, Council also considered the following aspects:

- Adherence to the legislative cap (UAGC to be maximum of 30% of total rates) and;
- Set the amount of UAGC such that it is as fair as possible to all ratepayers and in consideration of the principles of affordability and sustainability.

Council's consideration is in keeping with section 101(3) of LGA 2002 which explicitly requires that the funding needs be met by sources considered appropriate by Councils', giving consideration to, among other things, the impact of the funding allocations on the economic, social, cultural and environmental well-beings of the community."

(c) Targeted Rates

A Targeted Rate is set under Sections 16 or 19 of the LGRA 2002 and has been used to part fund the groups of activities of Sewerage and Treatment and Disposal of Sewage, Water Supply, Stormwater Drainage, Solid Waste Management and Provision of Roads and Footpaths. Targeted Rates are set according to the Revenue and Financing Policy for these services. A Targeted Rate is used according to the Revenue and Financing Policy, when:

- Council considers that a Targeted Rate would enable a higher level of transparency in funding allocation; or
- Council considers that a Targeted Rate is fairer than the use of other existing rating tools for the service funded, in consideration of the benefit derived from the service. The percentage of benefit is determined by Council's Revenue and Financing Policy.

The LGRA 2002 allows for Targeted Rates to be levied on lands defined on the basis of use to which land is put, area of land, location of land, the value of land and the provision or availability of Council services. Targeted Rates may be imposed as a uniform annual charge or differentially for different types of property uses.

(d) Targeted Services TUAC

A Targeted Services TUAC is set under Sections 16, 18 or 19 of the LGRA 2002 and has been used to part fund the activities of Swimming Pool and Unsubsidised Roading. This Targeted Services TUAC is set according to the Revenue and Financing Policy for these

services. The Targeted Services TUAC will be levied as a Targeted Uniform Annual Charge differentiated by rating areas, being the Te Kuiti Urban and Periphery Rating Area and the Rural Rating Area (rest of the District).

The following areas will be subject to a specified TUAC:

Te Kuiti Urban and Periphery Rating Area

The boundary of Te Kuiti Urban and Periphery Rating Area for the purpose of levying the Targeted Services TUAC, will be a 5km radius, all around, from the Information Centre (deemed to be the centre of town). Council considers this boundary of Te Kuiti Rating Area (for the purpose of levying the Targeted Services TUAC) to be fair in consideration that the benefit derived from the services funded by this TUAC are accrued equally by those living within the 5km radius.

*(A map depicting the Te Kuiti Urban and Periphery Rating Area is attached, as **Appendix One**).*

Piopio Sewerage Benefit Area

Council considers that there are a few communities outside of Piopio for whom Piopio Township is the main 'community of interest' and because of this they receive an indirect benefit from the development and well-being of Piopio. Therefore Council considers it fair that a separate catchment of these properties be identified called the Piopio Wider Benefit Rating Area (PWBRA) and a targeted rate for Piopio Sewerage be levied on these properties.

*(The map identifying the area of particular benefit is attached as **Appendix Two**.)*

Piopio Retirement Trust Inc.

The wider Piopio community consider the Piopio retirement village is an asset that should be retained. In order to support the Trust in the continued delivery of elderly housing accommodation services Council will set a Targeted Services TUAC on every rating unit within Piopio and the Piopio Wider Benefit Rating Area.

Te Kuiti Infrastructure Support Area

In recent years, the periphery of the Te Kuiti township has been growing. Residential and commercial development has been taking place outside of the town boundary. Such development is not unusual due to better access to services that are congregated in an area. This enhances the liveability and attractiveness of an area thus fostering development. Taking account of this trend occurring in Te Kuiti, Council considered it fair and

equitable to establish a catchment of rateable properties, outside of Te Kuiti, that receive an indirect benefit from their close proximity to the Te Kuiti township referred to as the "Te Kuiti Infrastructure Support Area" and had proposed to levy a targeted uniform charge for Water Supply and Sewerage services on the TKISA since in large measure the benefits arising to this area are from close proximity to a fully infrastructure serviced township.

However, in consideration of the concerns that were raised during consultation and all aspects of the proposal, Council has resolved that it will not levy a targeted rate on TKISA at the present time but will keep the concept of the TKISA under review, to be considered for possible application during the next LTP (2015-25), since Council believes that the concept of an area that receives an indirect benefit from its proximity to a fully serviced township is sound.

(e) Fees and Charges

Fees and Charges will be set according to Council's Revenue and Financing Policy where:

- It is assessed that the level of benefit to identified beneficiary/exacerbator groups justifies the seeking of user charges; and
- There are identifiable and distinct user groups/exacerbators identified by Council's Revenue and Financing Policy; and
- User fees represent the fairest method to seek a contribution from identified beneficiaries or exacerbators.

(f) Interest, Subventions and Dividends

Council receives limited interest from cash investments. Any interest received is used to offset the rate required in the year received.

Council has an investment in Inframax Construction Ltd. Any dividends and/or subventions received are used to accelerate repayment of debt.

(g) Borrowing

Borrowing is managed by the provisions of Council's Treasury Policy. Council's use of funding mechanisms to fund capital development is as follows: Council will first apply depreciation funding available and other revenue, (e.g. subsidy), then loan funding, and lastly rate funding.

(h) Proceeds from Asset Sales

Funds from any asset sales are applied first to offset borrowing in the relevant activity from which the asset was sold and secondly for repayment of existing term debt (Treasury Policy).

(i) Development Contributions

Council has noted the forecast population trends and that there is little forecast for growth for the District in the short to medium term. Council has therefore resolved that the matter of the development of a Development Contributions Policy not be pursued at this stage, but be reconsidered as part of the District Plan review commencing during the 2012-22 planning cycle.

(j) Grants and Subsidies

Council receives a subsidy from New Zealand Transport Agency to part-fund operations, renewal, and capital development in provision of roads and footpaths. The percentage of this subsidy differs for different types of works. Council pursues other Grant and Subsidy funding available from Central Government wherever it is considered appropriate.

5.0 ANALYSIS OF ACTIVITIES AND FUNDING CONCLUSIONS

Council's Groups of Activities are aligned under three sustainability areas. Council aligns its activities in a manner that describes how Council is promoting community well-being.

COUNCIL - COMMUNITY WELL-BEING		
Community and Cultural Sustainability	Environmental Sustainability	Economic Sustainability
Governance: Leadership and Investments	Solid Waste Management	Water Supply
Community Service	Stormwater Drainage	Provision of Roads and Footpaths
Community Development	Resource Management	
Regulation and Safety	Sewerage and Treatment and Disposal of Sewage	

5.1 Summary of Funding Sources

The table below summarises by Activity the assessment of benefits and the funding sources selected.

ACTIVITY	ASSESSED BENEFIT (%)					FUNDING SOURCES						
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
COMMUNITY AND CULTURAL SUSTAINABILITY												
Governance – Leadership and Investments												
Leadership												
Mayors Office		100%				25%	75%					
Council and Committees		100%				25%	75%					
Long Term and Annual Planning	20%	80%				20%	80%					
Community Consultation / Communication		100%				25%	75%					
District and Urban Development Planning	20%	80%				50%	50%					
Policy Development/ Advocacy		100%				50%	50%					
Performance Monitoring	20%	80%				20%	80%					
Annual Report	20%	80%				20%	80%					
Investments												
Local Authority Shared Services	20%	80%				50%	50%					
Inframax Construction Limited		100%				50%	50%					
Council Owned Quarries		100%								100%		
Forestry (located at Waitomo District Landfill)		100%				100%						
Parkside Subdivision		100%				40%	40%			20%		
Community Development												
Community Support		100%					100%					

ACTIVITY	ASSESSED BENEFIT (%)					FUNDING SOURCES						
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
Community Grants	10%	80%		10%			100%					
Sister City		100%					100%					
District Development	10%	80%	10%			60%			20% Commercial and Industrial Businesses 20% Rural Businesses			
Automobile Association	5%	15%		80%			30%			70%		
Regulation and Safety												
Environmental Health		50%		40%	10%	20%	20%			60%		
Animal Control		90%			10%		95%			5%		
Dog Control		10%		70%	20%	10%	10%			80%		
Building Control Services		20%		75%	5%	40%				60%		
Liquor Licensing		35%		35%	30%	10%	50%			40%		
Community Facilities												
Active Reserves		90%		10%			100%					
Passive Reserves		100%					100%					
Esplanade Reserves		100%					100%					
Leased Reserves		40%		60%		20%	20%			60%		
Playgrounds		40%		60%			100%					
Elderly Persons Housing		5%		95%		20%	20%			60%		
Community Halls		100%				47.5%	47.5%	2%		3%		
Other Land and Buildings		30%		70%		37.5%	37.5%			25%		

ACTIVITY	ASSESSED BENEFIT (%)						FUNDING SOURCES					
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
District Libraries		20%		80%		22%	70%			8%		
Swimming Pool		10%	70%	20%		3.5%	3.5%	58% (Urban) 25% (Rural)		10%		
Arts, Culture and Heritage	10%	80%		10%		45%	45%			10%		
Aerodrome		20%		80%		60%				40%		
Public Toilets		60%		40%		50%	50%					
Cemeteries		10%	30%	60%		30%	30%			40%		
Street Furniture		95%			5%	50%	50%					
Public Carparks		100%				50%	50%					
Emergency Management	10%	90%					100%					
Rural Fires		40%		50%	10%	100%						
ENVIRONMENTAL SUSTAINABILITY												
Solid Waste Management												
Kerbside Collection			100%					55%		45%		
Kerbside Recycling			100%					100%				
Landfill and Transfer Station Management		55%		45%				40%		60%		
Waste Minimisation	10%	90%				22.5%	22.5%				55%	
Stormwater Drainage												
Urban Stormwater Reticulation and Disposal			90%	10%				100% (Ur- ban areas)				
Rural Stormwater Reticulation and Disposal			90%	10%				100% (Rural areas)				
Resource Management												
District Plan Administration		100%				50%	50%					

ACTIVITY	ASSESSED BENEFIT (%)					FUNDING SOURCES						
	National/ Regional Benefit	District Benefit	Community Benefit	User/ Applicant Benefit	Exacerbator	General Rate	UAGC	Targeted UAC	Targeted Rate	Fees and Charges	Grants and Subsidies	Interest/ Dividend
Consent Monitoring		15%		75%	10%	15%	15%			70%		
Sewerage and Treatment and Disposal of Sewage												
Te Kuiti Sewerage Reticulation, Treatment and Disposal			75%	25%				75%		25%		
Te Waitere Sewerage Reticulation, Treatment & Disposal			75%	25%				100%				
Benneydale Sewerage Reticulation, Treatment & Disposal			75%	25%				100%				
Piopio Sewerage Reticulation, Treatment & Disposal			75%	25%				100%				
ECONOMIC SUSTAINABILITY												
Water Supply												
Te Kuiti Water Extraction, Treatment and Reticulation			100%					75%		25%		
Mokau Water Extraction, Treatment and Reticulation			100%					70%		30%		
Piopio Water Extraction, Treatment and Reticulation			100%					85%		15%		
Benneydale Water Extraction, Treatment and Reticulation			100%					55%		45%		
Provision of Roads and Footpaths												
Subsidised Roading	58%	42%					3%		65%	2%	30%	
Unsubsidised Roading		100%						67% (Urban) 8% (Rural)		25%		

6.0 COMMUNITY AND CULTURAL SUSTAINABILITY

The Community and Cultural Sustainability area focuses on building and developing cohesive and functional communities in the Waitomo District. Council provides a range of services and facilities to the various communities in the Waitomo District.

The groups of activities contained within this area are:

- 6.1 Governance: Leadership and Investment
- 6.2 Community Development
- 6.3 Community Facilities and
- 6.4 Regulation and Safety.

Governance: Leadership and Investment

6.1 LEADERSHIP

6.1.1 Description

The Leadership Significant Activity provides for:

- Council's governance at District level.
- Conduct of elections.
- Council's advocacy on issues that impact on the Waitomo District's community outcomes.
- Planning and policy development that provides a framework for the Community's strategic direction.
- Monitoring and Reporting.

This Activity includes the preparation of policies guiding strategic direction and strategic financial decisions for presentation to the Community for feedback.



6.1.2 Functions

There are eight functions under this significant activity –

- 1) Mayor's Office
- 2) Council and Committees
- 3) Long Term and Annual Planning
- 4) Community Consultation/Communication
- 5) District and Urban Development Planning
- 6) Policy Development/Advocacy
- 7) Performance Monitoring
- 8) Annual Report.

6.1.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

CO1	Cultural Heritage
	A place where people are enriched by the multicultural values of all its people and, in particular, Maori heritage and culture are an inherent and valued part of decision making that affects community life.
CO4	A Vibrant and Prosperous District
	<ol style="list-style-type: none"> 1. A place that attracts more people who want to live, work and play, and raise a family. 2. A place where wealth and employment are created through local businesses and development of tourism opportunities.

6.1.4 Period Of Benefit (Intergenerational Equity)

Leadership is considered an annually funded activity.

6.1.5 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo District.
- (b) Greater opportunity for the Waitomo District to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

6.1.6 Benefits Allocation And Funding Mechanism

Council's Revenue and Financing Policy has been developed at the functions level. The revenue and financing of separate functions of the Leadership activity follow.

6.1.7 Overall Impact of Funding Mechanisms

Following the consideration of the matters referred to in Section 101(3)(a) a picture emerges of where the benefits of engaging in the activity accrue. Once this is done and indicative costs allocation compiled, Council considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community and made any adjustments as assessed by them.

Council agreed that for most activities where a District benefit has been identified, funding that benefit allocation equally through General Rate and UAGC would be the most efficient, equitable and transparent funding method.

Council's reasoning behind this decision was that for some activities UAGC would be the most appropriate method for funding the District allocation because of the 'equal benefit' nature of the activity, but Council needs to take into account the 'rates affordability' and 'ability to pay' issues of the community.

This reasoning by Council has not been repeated in the rest of the document except where Council has made exceptions to it.

The results of the individual activity analysis and any adjustments proposed to funding allocations are presented as part of Council's discussion of the individual activities.

6.1.8 Activity analysis and funding mechanisms

6.1.9 Mayor's Office

This function involves the provision of leadership and governance of the District.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	25%	General Rate
		75%	UAGC

6.1.9a Distribution of Benefits

District Benefit: The benefit of the Mayor's Office is considered to be District wide in nature. The Mayor is elected for the benefit of the District at large and has a governance and leadership role for the entire District representing the wider community. Council considers that every rateable property in the District regardless of size, location or value (i.e. large farm, industrial section, urban residential) receives the same level of service from this activity.

6.1.9b Funding Mechanism

District Allocation: The fairest method of funding for the Mayor's Office would be by way of UAGC. However, due to the 30% UAGC 'cap' and rates affordability issues, and given the District wide benefit associated with the Mayor's Office, Council

resolved a combination of General Rate and UAGC to be the most efficient and effective funding mechanism for this allocation.

6.1.10 Council and Committees

This function is carried out as a subset of the Council's governance and leadership responsibilities. In the interests of business efficiency, and to provide separation between the Council's regulatory and non-regulatory roles, the Council may choose to establish committees. Representation on, and delegations to, committees is decided by the Council, usually after each triennial election. The Waitomo District Council has established two committees for the current triennium, being the Hearings Committee and the Shareholder Representative Committee.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	25%	General Rate
		75%	UAGC

6.1.10a Distribution of Benefits

District Benefit: The benefit of the Council and its Committees is considered to be District wide in nature. Whilst individual Councillors are elected for their areas the Council has a governance and leadership role for the entire District representing the wider community. Further, every resident and ratepayer within the Waitomo District has access to and can engage in Council's decision making processes.

6.1.10b Funding Mechanism

District Allocation: The fairest method of funding for the Council and Committees would be by way of UAGC. However, due to the 30% UAGC 'cap' and rates affordability issues, and given the District wide benefit associated with the Council and Committees, Council resolved a combination of General Rate and UAGC to be the most efficient and effective funding mechanism for this allocation.

6.1.11 Long Term and Annual Planning

This function involves carrying out long-term and annual planning for the District and producing plans which reflect the outcomes desired by the community.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	80%	20%	General Rate
		80%	UAGC
Regional Benefit	20%	0%	No funding mechanism

6.1.11a Distribution of Benefits

District Benefit: Long Term and Annual Planning benefits the wider District as a whole. The Long Term Plan (LTP) and the Annual Plan are developed on a District Wide basis considering the needs of the entire community. Further, every resident and ratepayer within the Waitomo District has access to and can engage in Council's Long Term and Annual Planning processes.

Regional Benefit: There is an element of Regional Benefit to Council's Long Term and Annual Planning function in that Regional outcomes and priorities can be advanced at a local level.

6.1.11b Funding Mechanism

District Allocation: The fairest method of funding for the Council and Committees would be by way of UAGC. However, due to the 30% UAGC 'cap' and rates affordability issues, and given the District wide benefit associated with the Council and Committees, Council resolved a combination of General Rate and UAGC to be the most efficient and effective funding mechanism for this allocation.

Regional Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries Council resolved that the Regional Benefit be reallocated to District Benefit and funded by General Rate.

6.1.12 Community Consultation/Communication

Communicating and consulting with the community on projects, issues and various planning documents, as well as surveys to gauge community satisfaction with services provided.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	25%	General Rate
		75%	UAGC

6.1.12a Distribution of Benefits

District Benefit: Community Consultation and Communication benefits the wider District as a whole. Consultation involves the community in Council's decision making process. Communication assists in keeping the Community informed in regard to what Council is doing. Every resident and ratepayer within the Waitomo District has the opportunity to be involved in Council's decision making process.

6.1.12b Funding Mechanism

District Allocation: The fairest method of funding for the Council and Committees would be by way of UAGC. However, due to the 30% UAGC 'cap' and rates affordability issues, and given the District wide benefit associated with the Council and Committees, Council resolved a combination of General Rate and UAGC to be the most

efficient and effective funding mechanism for this allocation.

6.1.13 District and Urban Development Planning

Involves the planning and strategy development around urban and District development with a view to promoting the principles of sustainable development.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	80%	50%	General Rate
		50%	UAGC
Regional Benefit	20%	0%	No funding mechanism

6.1.13a Distribution of Benefits

District Benefit: District and Urban Development Planning benefits the wider District as a whole. Sustainable land use and growth planning seeks to uphold and protect outcomes that are important to the entire District. Every resident and ratepayer within the Waitomo District has the opportunity to be involved in Council's District and Urban Development Planning processes.

Regional Benefit: There is an element of Regional Benefit to Council's District and Urban Development Planning function in that Regional outcomes and priorities can be advanced at a local level. Further, there is a requirement in law that Council's District Plan is aligned with the regional policy statement.

6.1.13b Funding Mechanism

District Allocation: Given the District wide benefit associated with District and Urban Development Planning, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

Regional Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries Council resolved that the Regional Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

6.1.14 Policy Development/Advocacy

This function provides for the development of policy to promote community outcomes at a local level, and to influence policy at a regional or national level.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

6.1.14a Distribution of Benefits

District Benefit: Policy Development/Advocacy benefits the wider District as a whole. Policy Development and Advocacy seeks to uphold and protect outcomes that are important to the entire District. Policies such as the Revenue and Financing Policy, Significance Policy, etc are developed on a District wide basis. Council acts as an advocate for the community on issues of interest as they impact on the Waitomo District, e.g. Central Government strategy and policy.

6.1.14b Funding Mechanism

District Allocation: Given the District wide benefit associated with Policy Development/Advocacy, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

6.1.15 Performance Monitoring

Section 92 of the LGA 2002 that required monitoring and reporting on the progress made by the community in achieving its outcomes has been repealed. However, Council is still required to monitor the achievement of the levels of service, and need to gather information from various sources for this purpose.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	80%	20%	General Rate
Regional Benefit	20%	80%	UAGC

6.1.15a Distribution of Benefits

District Benefit: The monitoring of performance benefits the wider District as a whole. Monitoring of performance provides a feedback loop for Council to adjust the strategies established through Long Term and Annual Plans to reflect the changing needs of the community. This monitoring process is strongly linked to the Long Term and Annual Planning function of Council and has the same beneficiary groups.

Regional Benefit: There is an element of Regional Benefit to monitoring of performance as the information gathered can be shared regionally. Other stakeholders such as the Regional Council will find the data informative for their own planning and monitoring processes.

6.1.15b Funding Mechanism

District Allocation: Given the District wide benefit associated with Performance Monitoring, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

Regional Allocation: There is no lawful funding mechanism available to Council to recover from this group of beneficiaries, and therefore Council resolved to reallocate this allocation to District Allocation.

6.1.16 Annual Report

This function involves the preparation of Council's Annual Report comprising public information on achievement against the financial and key performance targets of the previous year. This function is carried out to promote Council's accountability to the community for the decisions that have been made throughout the year.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	80%	20%	General Rate
		80%	UAGC
National Benefit	20%	0%	No funding mechanism

6.1.16a Distribution of Benefits

District Benefit: The Annual Report benefits the wider District as a whole. The Annual Report is Council's mechanism for reporting progress to the community. The Annual Report outlines Council's performance in giving effect to the Long Term and Annual Plan. It is the community's key accountability tool. The Annual Report is available for the entire community to enable them to monitor Council's performance and progress against the Long Term and Annual Plan. This accountability tool is strongly linked to the Long Term and Annual Planning function of Council and has similar beneficiary groups.

National Benefit: The Annual Report, through the legislative requirements imposed on Council, is seen as having national benefit.

6.1.16b Funding Mechanism

District Allocation: Given the District wide benefit associated with the Annual Report, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

National Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries Council resolved that the National Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

proposals, issues and other matters through consultation.

- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

6.2 INVESTMENTS

6.2.1 Description

Council has investments in land and other organisations that it manages for the benefit of the community and to generate income.


6.2.2 Functions

The functions comprising this activity are

- 1) Local Authority Shared Services (LASS)
- 2) Council Owned Quarries
- 3) Inframax Construction Limited
- 4) Forestry (located at Waitomo District Landfill)
- 5) Parkside Subdivision.

6.2.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

CO4	A Vibrant and Prosperous District
	1. A place that attracts more people who want to live, work and play, and raise a family. 2. A place where wealth and employment are created through local businesses and development of tourism opportunities.

6.2.4 Period Of Benefit (Intergenerational Equity)

The total expenditure and income of Investment Activities needs to be specified over the proposed investment period as part of intergenerational funding decisions.

6.2.5 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions,

6.2.6 Benefits Allocation And Funding Mechanism

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Investments significant activity follow.

6.2.7 Overall Impact of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

6.2.8 Activity Analysis and Funding Mechanisms

6.2.9 Investment in Local Authority Shared Services (LASS)

This function represents Council's shareholding/ investment in Local Authority Shared Services (LASS). The principle objective for the company is to provide the most effective access to regional information of mutual value to the regional community using modern technology and processes and to be an umbrella for future development of shared services within the region.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	80%	50%	General Rate
		50%	UAGC
National Benefit	20%	0%	No funding mechanism

6.2.9a Distribution of Benefits

District Benefit: LASS are assessed to have a District wide benefit as they are either made to generate income or to explore opportunities for cost reduction/efficiencies, which are used for the benefit of the entire District, or Council is involved in them for a strategic reason which again is for the benefit of the District as a whole.

National Benefit: Gaining the most effective access to regional information and services of mutual value to the regional community is seen as having national benefit.

the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

6.2.9b Funding

District Allocation: The fairest method of funding this investment would be by way of UAGC. However, due to the 30% UAGC 'cap' and rates affordability issues, Council resolved a combination of General Rate and UAGC to be the most efficient, effective and transparently lawful funding mechanism for this allocation.

National Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries Council resolved that the National Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

6.2.10 Investment in Inframax Construction Ltd (ICL)

This function represents Council's investment in Inframax Construction Ltd (ICL). ICL is a provider of roading construction and maintenance and other civil engineering infrastructural services.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC
		0%	Dividend or Subvention Income

6.2.10a Distribution of Benefits

District Benefit: ICL is assessed to have District wide benefit as it exists to give effect to social and economic outcomes that benefit the entire District. Council's investment in ICL is considered to be strategic in nature and for the benefit of the wider District as a whole.

6.2.10b Funding

Investment Income: Council resolved that as this investment has been entered into for social and economic purposes it would be equitable to fund the cost of this activity through Investment Income (i.e. dividend and/or subventions), when available.

Any surplus generated through this investment will be used to accelerate the repayment of term debt which benefits the wider community by enhancing the financial sustainability of the Waitomo District Council.

District Allocation: Any deficit resulting from Council's investment in ICL will be funded by way of a combination of General Rate and UAGC which reflects the public good associated with

6.2.11 Council Owned Quarries

This function involves the maintenance and management of council owned quarries.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	Investment Income

6.2.11a Distribution of Benefits

District Benefit: Council owned quarries are assessed to have District wide benefit as they exist to give effect to social and economic outcomes for the benefit of the entire District. Council's investment in quarries is considered to be strategic in nature and for the benefit of the wider District as a whole.

6.2.11b Funding

Investment Income: Council resolved that as this investment has been entered into for social and economic purposes it would be most equitable to fund this activity through investment income (e.g. metal royalties/leases). Any net surplus income generated through this investment will be used to offset rates income collected from the entire District.

District Allocation: Any deficit resulting from Council's investment in Quarries will be funded from the General Rate which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

6.2.12 Forestry located at Waitomo District Landfill

This function involves the maintenance and management of forestry located at Waitomo District Landfill.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	General Rate

6.2.12a Distribution of Benefits

District Benefit: The forestry plantation at Waitomo District Landfill is assessed to have District wide benefit as it exists to generate income which is used for the benefit of the entire District. Council's investment in forestry is considered to be strategic in nature and for the benefit of the wider District as a whole.

6.2.12b Funding

Investment Income: Council resolved that the income generated from this investment depends upon harvest plans and maturity and hence will be intergenerational and therefore it would be most appropriate and transparently lawful to fund this allocation through General Rate.

6.2.13 Parkside Subdivision

This function represents Council’s investment in Parkside Subdivision. If people are to live and work in Waitomo they must have choice of housing value, style and location. Parkside subdivision is an investment by WDC to provide quality sections within the township of Te Kuiti.

The subdivision at time of purchase involved 32 sections for resale.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	40%	General Rate
		40%	UAGC
		20%	Sale of Sections

6.2.13a Distribution of Benefits

District Benefit: The Parkside Subdivision is assessed to have District wide benefit as it exists to generate income which is used for the benefit of the entire District. Council’s investment in Parkside is considered to be strategic in nature and for the benefit of the wider District as a whole.

6.2.13b Funding

Investment Income: Council resolved that the income generated from this investment depends upon sales of residential sections and therefore it would be most appropriate and transparently lawful to fund this allocation through Investment income as and when sections are sold.

District Allocation: Council resolved that any shortfall and interim holding costs will be funded by way of a combination of General Rate and UAGC which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

6.3 COMMUNITY DEVELOPMENT

6.3.1 Description

The Community Development Activity works to ensure that individuals living in the Waitomo District have access to a range of services and facilities to increase their quality of life and promote community well-being.




6.3.2 Functions

There are 3 functions under this significant activity:

- 1) Community Support
- 2) Customer Service
- 3) District Development.

6.3.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

CO1 	Cultural Heritage A place where people are enriched by the multicultural values of all its people and, in particular, Maori heritage and culture are an inherent and valued part of decision making that affects community life.
CO3 	Youth 1. A place where young people have access to education, training and work opportunities 2. A place where young people feel valued and have opportunities for input into the District
CO4 	A Vibrant and Prosperous District 1. A place that attracts more people who want to live, work and play, and raise a family. 2. A place where wealth and employment are created through local businesses and development of tourism opportunities.

6.3.4 Period of Benefit (Intergenerational Equity)

The Automobile Association Agency Service and Community Initiatives function is considered to be an annually funded activity, therefore there are not considered to be any intergenerational equality issues.

6.3.5 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.

- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

6.3.6 Benefits Allocation and Funding Mechanism

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Community Development significant activity follow.

6.3.7 Overall Impact of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

6.3.8 Activity Analysis and Funding Mechanisms

6.3.9 Community Support

This function involves developing the community and contributing to its four well-beings. Working with stakeholders to create a better quality of life for our community, by administration of existing Community Development Fund, continue with Community Events (e.g. Christmas Parade), the establishment and support of a Youth Council and help local groups with local opportunities and solutions.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	UAGC

6.3.9a Distribution of Benefits

District Benefit: Community Support Strategy Development is considered to have a District wide equal benefit as the goals and objectives in such a strategy are designed to give effect to the development of the District as a whole.

6.3.9b Funding

District Allocation: Given that everyone in the District benefits equally from the service, a UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

6.3.10 Community Grants

Grant funding to assist community groups and organisations

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	Grants & Subsidies
District Benefit	80%	0%	General Rate
User Benefit	10%	100%	UAGC

6.3.10a Distribution of Benefits

National Benefit: There is an element of national benefit in the development of communities as local communities are a subset of the larger national community and development of a part contributes to the overall development of the whole. Furthermore, many community initiatives at the local level assist in contributing to Central Government policy objectives.

District Benefit: Community initiatives are considered to have a District wide benefit as the provision of grants to organisations assists with the provision of a range of social services that contribute to the social and cultural well-being of the whole District.

Fees & Charges: For the purpose of Community Initiatives (Grants and Schemes) users are those organisations that receive the grant.

6.3.10b Funding

National Allocation: Council considers that this allocation should be funded through Central Government Grants. However, given the uncertainty of annual funding available from Central Government grants it was resolved that this allocation be re-allocated to User Benefit and funded by a UAGC. This recognises the District-wide benefit and is considered to be the most efficient, effective and transparent method for funding this allocation.

District Allocation: Council considers that the benefit of this activity is shared equally across the District and it was resolved that a UAGC is the most efficient, effective and transparent method for funding this allocation. Accordingly this allocation was re-allocated to and is funded as part of User Benefit.

Fees and Charges: Council resolved that the user benefit of this service is high and that users (i.e. community organisations) exist for the purpose of servicing the community and not for any private good. Hence it would not be fair or equitable to levy fees and charges. Accordingly it was resolved that this allocation be funded by a UAGC being the most efficient, effective and transparent method of funding the allocation.

6.3.11 Sister City

Promotion and support of Council's Sister City relationship with Tatsuno with the aim of contributing to the cultural and economic well-being of the District.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	UAGC

6.3.11a Distribution of Benefits

District Benefit: The benefits derived from maintaining and advancing the relationship with our Sister City will serve the District as a whole and cannot be isolated to any particular individual or group or part of the District. The Sister City relationship contributes to the social, cultural and economic well-being of the entire District community.

6.3.11b Funding

District Allocation: Council resolved that funding this allocation through UAGC would be the most efficient, effective and transparent funding method, ensuring that every ratepayer pays an equal amount towards this allocation.

6.3.12 District Development

This function encompasses four activities that serve to attract visitors to the District and contribute over time to the overall development of the District.

- 1) **Economic Development** - This function involves the development, support and promotion of business-related programmes and activities and new employment initiatives within the District. It also involves the maintenance of a high quality environment, input into the urban infrastructure, the need to recognise the importance of international relationships and the tourism industry and utilisation of the landscape and culture of the Waitomo District.

- 2) **Visitor Information Centres** - The Information Centre in Te Kuiti acts as a central repository of tourism related information of the District. Tourism is facilitated through the provision of this service.
- 3) **District and Regional Promotion** - This activity involves regional tourism growth at both domestic and international levels, using Waikato regional branding rather than individual District brands. It also involves coordinating local tourism products and experiences using the regional approach in partnership with Tourism NZ and other tourist organisations.
- 4) **Event Coordination** - Co-ordination of major events in the District, including the Great NZ Muster and the Christmas Parade.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	80%	60%	General Rate
Community Benefit	10%	20%	Commercial and Industrial Businesses (Targeted Rate on C.V.)
		20%	Rural Businesses (Targeted Rate on C.V.)

6.3.12a Distribution of Benefits

National Benefit: There is an element of national and regional benefit that results from attracting visitors to the District. New Zealand as a whole and particularly the region will benefit from services and events attracts overseas and local visitors. Increased visitor numbers to Waitomo District will have flow on effects for our neighbours and help in promoting other neighbouring Districts as well.

District Benefit: The Visitor Industry is considered to have a District wide benefit as the activity gives effect to the economic development and employment within the District as a whole. There are numerous examples that demonstrate tourism can contribute immensely to the whole economy in terms of increased employment, revenue generation and the like and that benefit will accrue to the overall District.

Community Benefit: The Visitor Industry provides a high degree of benefit to communities that provide meals, entertainment and accommodation.

6.3.12b Funding

National/Regional Allocation: Council resolved that this allocation should be funded through Grants when available.

District/Community Allocation: Council considered that the overall District benefits to an extent from District Development Activities but also that specific beneficiaries can be identified (businesses) and therefore resolved a targeted District Development rate is the most efficient, effective and transparent method for funding this allocation. Council resolved that funding should be apportioned on the basis of 60% General rate, 20% Commercial and Industrial businesses and 20% Rural businesses.

6.3.13 Agencies

This activity aims to facilitate community access to government services through a combination of monitoring, advocating and providing. With regard to the latter, the Council currently acts as an agency for the Automobile Association (AA), including provision of driver licensing services.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Regional Benefit	5%	0%	No funding mechanism
District Benefit	15%	0%	General Rate
		30%	UAGC
User Benefit	80%	70%	Fees and Charges

6.3.13a Distribution of Benefits

Regional Benefit: Having an AA agency in Te Kuiti is considered to have a degree of regional benefit as the services of the agency are availed by residents of neighbouring Districts as well.

District Benefit: Though it is primarily the users of this service that benefit from it, there is also an element of District wide benefit in that anyone within and around the District requiring the service has easy access to it.

User Benefit: Users of the agency are the direct beneficiaries of the service.

6.3.13b Funding

Regional Benefit: No lawful finding mechanism is available for this allocation. Council resolved that it be reallocated to District Allocation.

District Allocation: Council considers this service to be of equal District wide benefit and a UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

Fees and Charges: Council resolved that user fees and charges would be the most efficient, effective

and transparently lawful available method for funding this allocation.

6.4 REGULATION AND SAFETY

6.4.1 Description

Regulation and Safety Activity works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of Central Government Legislation.

6.4.2 Functions

The functions under this activity are -

- 1) Environmental Health
- 2) Dog Control
- 3) Liquor Licensing
- 4) Animal Control
- 5) Building Control.

6.4.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

CO2	Recreation and Social Amenities
	A place where all age groups have the opportunity to enjoy social, cultural and sporting activities within our District.
CO4	A Vibrant and Prosperous District
	<ol style="list-style-type: none"> 1. A place that attracts more people who want to live, work and play, and raise a family. 2. A place where wealth and employment are created through local businesses and development of tourism opportunities.

6.4.4 Period of Benefit (Intergenerational Equity)

Regulation and Safety is considered an annually funded activity.

6.4.5 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions,

proposals, issues and other matters through consultation.

- (c) Identification of how the Activity contributes to the achievement of Community Outcomes and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its Community Outcomes annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

6.4.6 Benefits Allocations and Funding Mechanisms

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Regulation and Safety significant activity follow.

6.4.7 Overall Impact of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

6.4.8 Activity Analysis and Funding Mechanisms

6.4.9 Environmental Health

The provision of environmental health services, including health licencing and noise control. The Council has specific statutory responsibilities under each of these functions.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	50%	20%	General Rate
		20%	UAGC
User/Applicant Benefit	40%	60%	Fees and Charges
Exacerbator	10%		

6.4.9a Distribution of Benefits

District Benefit: Environmental Health delivers District benefits by ensuring minimum health standards, such as premises are licensed and safe, healthy and hygienic for the public to use, and providing general advice and education. Noise control services provided also contribute to healthy living. The investigation and notification of incidents of communicable diseases also provides benefit to the entire District.

User/Applicant Benefit: Individuals and organisations applying for a licence to operate under specific regulations nationally and within

the District and those requiring advice about the regulations are direct beneficiaries of this service.

Exacerbator/Offender: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licenses and regulations and prosecution of offenders.

6.4.9b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective and transparent funding tool for this allocation.

User Allocation: Council resolved user fees and charges to be the most efficient, effective and transparently lawful available method for funding this allocation.

Exacerbator Allocation: Council resolved that Fees and Charges is the most efficient, effective and transparently lawful available method for funding this allocation.

6.4.10 Animal Control

Provision of an animal control service for the District.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District	90%	95%	UAGC
Exacerbator	10%	5%	Fees and Charges

6.4.10a Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education and public safety. All residents have equal access to the use of the service.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, impounding of stock and prosecution of offenders.

6.4.10b Funding

District Allocation: Council resolved that the most efficient and effective method for funding this allocation would be UAGC.

Exacerbator Allocation: Council resolved that education and monitoring would be the most effective methods to promote good animal management and control. Moreover, it is usually inefficient to prosecute offenders. However, it was deemed prudent to remove the 5% District Allocation subsidy from Exacerbator Allocation.

6.4.11 Dog Control

The provision of a dog control service for the District and the carrying out of specific statutory responsibilities set out by Central Government.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	UAGC
		10%	General Rate
User/Applicant Benefit	70%	80%	Fees and Charges
Exacerbator	20%		

6.4.11a Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education, visits to schools and public safety.

User/Applicant Benefit: Individuals applying for and maintaining dog registration and receiving education are direct beneficiaries of this service.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, impounding of dogs and stock and prosecution of offenders.

6.4.11b Funding

District Allocation: Council resolved that the most efficient and effective method for funding this allocation would be a UAGC.

User Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

Exacerbator Allocation: Council resolved that education and monitoring would be the most effective method to promote good animal management and control. Council also proposes that User Fees and Charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

6.4.12 Building Control Services

Provision of building control services, including issuing and monitoring of building consents.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	40%	General Rate
User/Applicant Benefit	75%	60%	Fees and Charges
Exacerbator	5%		

6.4.12a Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education, and public safety. This Activity is mandatory for Council and has a District benefit by ensuring minimum building standards are met and that buildings are safe for use. This activity is also driven by Central Government policies and there is increased focus at the national level around sustainable building development.

Applicant Benefit: Individuals and groups applying for a building consent, requiring building inspection, compliance certificates and advice, are the direct beneficiaries of this service.

Exacerbator: These are the costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consents and Warrants of Fitness.

6.4.12b Funding

District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be General Rate since any investment in and development of the District will have more positive economic impact on larger property owners.

Applicant Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation.

Offender Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation.

6.4.13 Liquor Licensing

The provision of a liquor licensing agency. It also involves ensuring bylaws are enforced and complied with for public safety and well-being.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	35%	10%	General Rate
		50%	UAGC
User/Applicant Benefit	35%	40%	Fees and Charges
Exacerbator	30%		

6.4.13a Distribution of Benefits

District Benefit: This activity is assessed at having a medium level of District benefit which occurs from ensuring Liquor Licenses are complied with, sellers of liquor have certain qualifications, etc, which contributes towards public safety and well-being. General advice and education is also provided.

Applicant Benefit: The user benefit for this service is high. Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licenses and regulations and prosecution of offenders.

- 11) Other Land and Buildings
- 12) Public Toilets
- 13) Cemeteries
- 14) Street Furniture
- 15) Public Car parks
- 16) Aerodrome
- 17) Emergency Management
- 18) Rural Fires.

6.4.13b Funding

District Allocation: Council considered that this activity ensures the safety and well-being of all residents equally and resolved that UAGC would be the fairest funding method, ensuring that every ratepayer pays an equal amount towards this allocation.

Applicant Allocation: Council resolved user Fees and Charges to be the most equitable method for funding this portion of the benefit allocation.

Offender Allocation: Council agreed that it was not efficient or effective to separately fund this allocation due to the costs associated with prosecution, collection and administration and that education and monitoring are probably the most effective methods to promote health and safety in the District. It was resolved to reallocate this portion to District Allocation.

6.5 COMMUNITY SERVICE

6.5.1 Description

Council's Community Service activity provides recreation and community facilities with the aim of ensuring that basic ranges of recreational activities are available to meet the present and future needs of the Community, and that Council meets its statutory obligations under such acts as the Reserves Act 1977 and Burials and Cremations Act 1964.

This Activity also ensures that the Community has essential community facilities such as public toilets and cemeteries. These facilities are necessary to ensure that public health and safety is maintained.

Community safety is provided for by the Emergency Management and Rural Fires functions.

6.5.2 Functions

The functions comprising this activity are:

- 1) Active Reserves
- 2) Passive Reserves
- 3) Esplanade Reserves
- 4) Leased Reserves
- 5) Playgrounds
- 6) District Libraries
- 7) District Swimming Pools
- 8) Arts, Culture and Heritage
- 9) Elder Persons Housing
- 10) Community Halls

6.5.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

CO1	Cultural Heritage
	A place where people are enriched by the multicultural values of all its people and, in particular, Maori heritage and culture are an inherent and valued part of decision making that affects community life.
CO2	Recreation and Social Amenities
	A place where all age groups have the opportunity to enjoy social, cultural and sporting activities within our District.
CO4	A Vibrant and Prosperous District
	<ol style="list-style-type: none"> 1. A place that attracts more people who want to live, work and play, and raise a family. 2. A place where wealth and employment are created through local businesses and development of tourism opportunities.
CO8	Preserving the Environment
	A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.

6.5.4 Period Of Benefit (Intergenerational Equity)

The Agency Service and Community Initiatives function is considered to be an annually funded activity, therefore there is not considered to be any intergenerational equality issues.

6.5.5 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

6.5.6 Benefits Allocation And Funding Mechanism

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Community Facilities significant activity follow.

6.5.7 Overall Impact of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

6.5.8 Activity Analysis and Funding Mechanisms

6.5.9 Active Reserves

This function involves the provision of areas for organised sporting activity and other recreational activity for residents and visitors in the District.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	90%	0%	General Rate
		100%	UAGC
User Benefit	10%	0%	Fees and Charges

6.5.9a Distribution of Benefits

District Benefit: Provision and maintenance of Active Reserves is considered to have District wide benefit as they can be used by any and everyone in the District. These reserves are also provided for the promotion of an active and healthy lifestyle and to meet the recreational needs of the District as a whole. Council holds the view that the provision of Active Reserves is important to the District.

User Benefit: The individuals or clubs who use these facilities can be identified and are considered direct beneficiaries of the service.

6.5.9b Funding

District Allocation: Council resolved that a UAGC would be the most effective and transparent method of funding this allocation.

Fees and Charges: Council considered it impracticable to collect Fees and Charges for this activity and accordingly it was resolved that it be included in the District allocation and funded by a UAGC being the most efficient, effective and transparent method of funding the allocation.

6.5.10 Passive Reserves

This function involves the provision of open space, including public gardens, to enhance the visual amenity of the locality and provide informal and impromptu recreational activities.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	UAGC

6.5.10a Distribution of Benefits

District Benefit: Provision and maintenance of Passive Reserves provides benefit to the wider District as a whole. They are available for anyone and everyone to use as well as providing aesthetic value to the District. They contribute to the social and cultural well-being of the District as a whole.

6.5.10b Funding

District Allocation: Council resolved that a UAGC would be the most appropriate funding tool for this allocation, given the District wide benefit associated with the service and considering that the users are not readily identifiable or excludable.

6.5.11 Esplanade Reserves

This function involves the management and provision of Esplanade Reserves that control/reduce the risk from natural hazards, protect conservation values and promote and improve recreational opportunities along the District's principal waterways.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	0%	General Rate
		100%	UAGC

6.5.11a Distribution of Benefits

District Benefit: Maintenance of Esplanade Reserves provides benefit to the wider District as a whole. They are available for anyone and everyone to use as well as providing aesthetic value to the District. It is also difficult to identify or exclude any particular user group for these reserves.

6.5.11b Funding

District Allocation: Council resolved that a UAGC would be the most effective and transparent method of funding this allocation.

6.5.12 Leased Reserves

This function involves the management and maintenance of land held, though not currently used by Council as reserves, but is land-banked for future recreational purposes should the need arise.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	40%	20%	General Rate
		20%	UAGC
User Benefit	60%	60%	Fees and Charges

6.5.12a Distribution of Benefits

District Benefit: There is a small element of District wide benefit in the provision of leased reserves in that they are still available to be used by the general public or a group, if required.

User Benefit: The Lessee of the land is the user and hence the direct beneficiary of the service.

6.5.12b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective and transparent method of funding this allocation.

User Allocation: Council resolved user Fees and Charges to be the most appropriate method for funding this allocation.

6.5.13 Playgrounds

This function involves the provision of playground equipment to provide opportunities for recreation and physical development of children.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	40%	0%	General Rate
User Benefit	60%	100%	UAGC

6.5.13a Distribution of Benefits

District Benefit: Provision and maintenance of Playgrounds provides benefit to the wider District as a whole as they are available for anyone and everyone to use. They contribute to the social and cultural well-being of the District as a whole and also promote a healthy and active lifestyle.

User Benefit: The users of the playgrounds are considered direct beneficiaries of the service.

6.5.13b Funding

District Allocation: Council resolved that a UAGC would be the most effective and transparent method of funding this allocation.

User Allocation: Council discussed that although the user benefit of this service is high, charging Fees and Charges for the use of playgrounds would be detrimental to their usage and also extremely hard to administer as it would mean somehow segregating these areas and putting in charge collection mechanisms. It would also defeat the purpose of promoting a healthy community and hence it was resolved that this allocation be transferred to District Allocation.

6.5.14 Elderly Persons Housing

This function involves the provision of affordable housing for the elderly. There are currently 20 pensioner units owned by Council. This function also involves maintenance of these units.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	5%	20%	General Rate
		20%	UAGC
User Benefit	95%	60%	Fees and Charges

6.5.14a Distribution of Benefits

District Benefit: Provision and maintenance of housing for the elderly provides a level of District wide benefit as it provides for the current and future social well-being of the District.

User Benefit: This service has a high degree of private benefit. The direct beneficiaries of Elder Persons Housing are the occupants, and the family and friends of the occupants.

6.5.14b Funding

District Allocation: Due to the public nature of the benefit derived, Council resolved that a combination of General Rate and UAGC would be the most effective and transparent method of funding this allocation.

User Allocation: Council resolved Fees and Charges to be the most appropriate funding tool for this allocation as the users (tenants) are easily identifiable and excludable and the user charges can be easily administered.

6.5.15 Community Halls

This function involves the provision and maintenance of halls through the support of Hall Committees throughout the District.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	47.5%	General Rate
		47.5%	UAGC
		2%	Targeted UAC
User Benefit	0%	3%	Fees and Charges

6.5.15a Distribution of Benefits

District Benefit: Provision of Community halls is assessed to provide benefit to the wider District as a whole as any member of the District can use the halls directly or as guests for functions, etc. Halls serve as places for meetings or functions, particularly where other options are unavailable.

6.5.15b Funding

District Allocation: Given the element of general public benefit associated with this activity, the Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Council recognised that most community halls are operated and maintained by the different communities themselves and Council's expenditure on the activity was in the form of grants provided to the various hall committees towards operating costs.

In the case of Council assistance given for the development of Marokopa Community Hall, the same will be recovered over time as a Targeted Uniform Annual Charge levied within the Marokopa Community Centre rating area.

6.5.16 Other Land and Buildings

This function involves the maintenance and management of other miscellaneous Council owned properties (including two camping grounds).

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	30%	37.5%	General Rate
		37.5%	UAGC
User Benefit	70%	25%	Fees and Charges

6.5.16a Distribution of Benefits

District Benefit: This activity is assessed to have a degree of District wide benefit as these land and buildings are retained and maintained by Council either with strategic intent or as investments which provide benefit to the District as a whole.

User Benefits: Lessees of these properties are the direct beneficiaries of the service. They are identifiable and excludable.

6.5.16b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved Fees and Charges to be the most efficient and transparently lawful method of funding this allocation.

6.5.17 District Libraries

This function involves the provision of library services to support culture, education, economic and personal development in the District. The main library is located at Te Kuiti with mobile services to Mokau and Piopio.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	22%	General Rate
		70%	UAGC
User Benefit	80%	8%	Fees and Charges

6.5.17a Distribution of Benefits

District Benefit: District libraries provide a degree of benefit to the wider District as a whole which relates to enhancing the knowledge and skills of the population and provides enjoyment. Benefits also include the promotion of knowledge building, social interaction and the provision of services to people with special needs (e.g. the visually impaired and people with disabilities).

User Benefit: Borrowers, information seekers and users of other library services are direct beneficiaries of the service.

6.5.17b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved that although the user benefit for this service is high, funding this allocation totally through Fees and Charges would be detrimental to usage. Since libraries provide intangible benefits of promoting social and cultural development of the general population and also contribute to increasing literacy, it would be to the advantage of the District to promote their usage. It was resolved that 10% of the allocation be funded through Fees and Charges and the remaining be reallocated to District allocation.

6.5.18 District Swimming Pool

This function involves the provision and maintenance of the Waitomo District Swimming Pool for leisure and competitive recreation opportunities for the community. Council's current aquatic asset is the public swimming pool in Te Kuiti.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	3.5%	General Rate
		3.5%	UAGC
Community Benefit	70%	58%	TUAC (Urban rating area)
		25%	TUAC (Rural rating area)
User Benefit	20%	10%	Fees and Charges

6.5.18a Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that anyone wanting to use the facility has access to it. It is a facility that can be used by all and provides for the leisure, training or health needs of the entire District.

Community Benefit: Swimming pools have a comparatively high degree of community benefit. It is assessed that people who live within the Community will benefit more than those who have to travel a longer distance to use the facility.

User Benefit: Individual users, clubs and schools are direct beneficiaries of the service.

6.5.18b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Community Allocation: Council discussed that a large proportion of the benefit of this service lay in the urban area and resolved that the activity be funded through a Targeted Uniform Annual Charge differentiated by rating area (Te Kuiti Urban and Periphery Rating Area/Rural Rating Area).

User Allocation: Council discussed that although the user benefit of this service is high, charging higher for the use of the pool would be detrimental to its usage. It would also impact on the purpose of promoting a healthy community and hence it was resolved that part of this allocation be transferred to Community Allocation.

6.5.19 Arts, Culture and Heritage

This function involves the maintenance and management of Culture and Heritage Buildings in the District including the Cultural and Arts Centre and Piopio Museum Buildings.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National/Regional Benefit	10%	0%	No funding mechanism
District Benefit	80%	45%	General Rate
		45%	UAGC
User Benefit	10%	10%	Fees and Charges

6.5.19a Distribution of Benefits

National/Regional Benefit: Preserving arts, culture and heritage have a small national benefit as they add benefit to the nation as a whole through stimulating preservation of local knowledge and history. They also help to add tourism value to the District.

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it contributes to the cultural well-being of the District as a whole. The facilities can also be enjoyed by all.

User Benefit: Individual users are direct beneficiaries of the service.

6.5.19b Funding

National Allocation: A lawful funding method for this allocation is not available. Council resolved that this allocation be transferred to District Allocation.

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved user Fees and Charges to be the most appropriate funding tool for this allocation.

6.5.20 Aerodrome

This function involves the provision of an Aerodrome facility in Te Kuiti to provide leisure and recreational opportunities for residents and visitors to the District. Provision of a base for commercial aerial activities.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	60%	General Rate
User Benefit	80%	40%	Fees and Charges

6.5.20a Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it provides a facility that contributes to the District economy through commercial use.

User Benefit: Individual users, clubs and commercial users are direct beneficiaries of the service.

6.5.20b Funding

District Allocation: Council resolved General Rate to be the most efficient, effective and transparent method to fund this allocation.

User Allocation: Council resolved that user Fees and Charges would be the most appropriate funding tool for this allocation.

6.5.21 Public Toilets

This function involves the provision of Public Toilet facilities in the District to ensure visitors and residents have access to safe, clean and sanitary facilities. Council presently owns and maintains 18 public toilets located through the District.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	60%	50%	General Rate
		50%	UAGC
User Benefit	40%	0%	Fees and Charges

6.5.21a Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that all people from within and outside the District have the ability to come and use public toilets. There are also public health benefits associated with the provision of public toilets which accrue to the District as a whole.

User Benefit: Individual users are the direct beneficiaries of the service. These can be visitors, as well as people from within the District.

6.5.21b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council agreed that although users are the direct beneficiaries of this service it would be highly inefficient to try and recover the costs through Fees and Charges, moreover, the usage is not high enough to warrant such a funding mechanism. Council resolved that this allocation be reallocated to District Allocation.

6.5.22 Cemeteries

This function involves the provision and maintenance of cemeteries in the District as required under the provisions of the Burials and Cremations Act 1964.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	30%	General Rate
		30%	UAGC
Community Benefit	30%	40%	Fees and Charges
User Benefit	60%		

6.5.22a Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole. District benefit results from the promotion of public health and sanitary disposal of the deceased. It also contributes to the cultural well-being of all people in the District.

Community Benefit: Cemeteries have a small degree of community benefit. The Community benefit results from the promotion of public health and sanitary disposal of the deceased. It is also assessed that those people who live within the Community will utilise the cemetery more than those outside the Community.

User Benefit: Families and friends of the deceased are direct beneficiaries of the service.

6.5.22b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Community Allocation: It was resolved that this allocation be reallocated to District Allocation as it was difficult to draw boundaries around the area serviced by a cemetery. Also, allocating the exact users of the cemeteries on a per community basis would be fraught with difficulties.

User Allocation: Council resolved user Fees and Charges to be the most efficient, effective and transparently lawful available method to fund this allocation. However, as it is difficult to accurately predict the fees and charges that will be generated from this activity and it can vary quite a bit from year to year, it was resolved that 20% be reallocated to District Allocation.

6.5.23 Street Furniture

This function involves the provision and maintenance of street furniture, bins and other structures to visually enhance the town's environment and provide facilities for people to relax and enjoy the environment.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	95%	50%	General Rate
		50%	UAGC
Exacerbator	5%	0%	Fees and Charges

6.5.23a Distribution of Benefits

District Benefit: This activity is assessed to provide District wide benefit since all people of the District benefit from the provision of street furniture, bins and the like. The service also contributes to public health and sanitation. Information displayed on notice boards is for all.

Exacerbator: These are costs associated with responding to offenders (vandals).

6.5.23b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Exacerbator Allocation: Council resolved that as it is usually hard to identify or inefficient to prosecute offenders so this allocation be transferred to District Allocation.

6.5.24 Public Car Parks

This function involves the provision and maintenance of car park areas to ensure residents and visitors to the District can access conveniently located off street parking in our towns.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

6.5.24a Distribution of Benefits

District Benefit: This activity is assessed to provide District wide benefit since all people of the District can benefit from usage of parking facilities.

6.5.24b Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

6.5.25 Emergency Management

Provision of emergency response capability, includes public education and administering the Civil Defence and Emergency Management Act 2002.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National and Regional Benefit	10%	0%	Government Subsidy
District Benefit	90%	100%	UAGC

6.5.25a Distribution of Benefits

National Benefit: Emergency Management has been assessed to have a certain element of National and Regional benefit, in that this service provides safety and general well-being to the national public under a national civil defence and emergency management network. By way of example, any significant natural disaster has the potential to disrupt state highways and the rail system which might affect the Country as a whole.

District Benefit: Civil Defence is considered to have a high District benefit. The benefit of this function is for the safety and well-being of all people within the District.

6.5.25b Funding

National Allocation: Council considers that given the element of national benefit provided by the service, Central Government subsidy would be the most efficient and effective method of funding this allocation. However Central Government subsidies are no longer available so it was resolved that this allocation be re-allocated to District Benefit and funded by UAGC.

District Allocation: Council resolved that given the wide public benefit associated with this activity and the fact that the benefits fall more or less equally among all District residents, UAGC would be the most equitable method of funding this allocation.

6.5.26 Rural Fires

Provision of rural fire fighting capability and support of Tainui Rural Fire Party.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	40%	100%	General Rate
User/Applicant Benefit	50%		
Exacerbator	10%		

6.5.26a Distribution of Benefits

District Benefit: The Rural Fire Service has a medium degree of public benefit in that it provides security to the entire population that the District has emergency preparedness plans in place for rural fire. Also, the District benefit accrues from the fact that any escalated rural fire not contained, can cause widespread damage to forestry or farms which will have a negative economic impact on the District as a whole.

User Benefit: With regard to Rural Fire Services, both public and private rural property owners can be identified as the users and hence beneficiaries of this service. This benefit accruing to rural property owners is assessed as high because Rural Fire service is offered to all properties excluding those in urban areas, and they gain benefit through the use of Council's resources and training.

Exacerbator: The offender for Rural Fire is the fire starter.

6.5.26b Funding

District Allocation: Council resolved General Rate to be the most equitable, efficient and transparent method of funding this allocation. This service is provided in the rural area but it does mitigate the negative impacts of a rural fire on the whole District.

User Benefit Allocation: Council resolved that this portion of benefit be reallocated to District Allocation, because although the user benefit level for this service is assessed as high and the users can be identified as a particular group and Targeted Rate would be the most equitable method for funding this portion of the benefit, but it would not be efficient or cost effective to set a separate rate for this service.

Exacerbator Allocation: It is usually not practicable or possible to identify or prosecute the offender or starter of a fire (it could be natural causes) and so it would not be effective or efficient to separately fund this part of this function. Council resolved that it be reallocated to District Allocation and be funded through General Rate.

7.0 ENVIRONMENTAL SUSTAINABILITY

The Environmental Sustainability area works towards promoting and ensuring that the environment is sustainably managed.

The groups of activities contained within this area are:

- Solid Waste Management
- Stormwater Drainage
- Resource Management
- Sewerage and treatment and disposal of Sewage.

7.1 SOLID WASTE MANAGEMENT

7.1.1 Description

The Solid Waste Activity manages the refuse collection, disposal and recycling services for the Waitomo District. The solid waste network involves a series of recycling and transfer stations throughout the District. Residual waste is deposited at the District Landfill in Te Kuiti.

The Solid Waste Activity is made up of two sub activities:

- 1) Collection which includes Kerbside Collection and Recycling; and
- 2) Management which includes Landfill Management and Waste Minimisation.

People generate un-recyclable waste each day and the current trend of increasing amounts of packaging and waste material results in an ongoing challenge for waste management. If waste is not managed in an appropriate manner it may result in serious public health and environmental concerns.


7.1.2 Functions

The functions comprising this activity are:

- 1) Kerbside Collection
- 2) Landfill and Transfer Stations Management
- 3) Kerbside Recycling
- 4) Waste Minimisation.

7.1.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

CO7	Solid Waste and Wastewater
	A place where solid waste and wastewater are managed, and waste is minimised, to preserve and protect our natural environment and meet District community needs.
CO8	Preserving the Environment
	A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.

7.1.4 Period Of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

7.1.5 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

7.1.6 Benefits Allocation And Funding Mechanism

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Solid Waste significant activity follow.

7.1.7 Overall Impact of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

7.1.8 Activity Analysis and Funding Mechanisms

7.1.9 Kerbside Collection

This function involves the provision of kerbside collection service to residents of Te Kuiti, Piopio, Awakino, Mokau and Waitomo (part only).

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Community/ User Benefit	100%	45%	Fees and Charges
		55%	TUAC (per community where services is provided)

7.1.9a Distribution of Benefits

Community Benefit/User: Communities that are provided with kerbside collection service are the beneficiaries of this service.

7.1.9b Funding

Community Allocation/User Allocation: As users can be identified as a particular group (communities that are provided with the service) and also individuals that will avail of the service, Council resolved that Fees and Charges and a Targeted Uniform Annual Charge per separately used or inhabitable part of a rating unit differentiated by Community would be the most effective, efficient and transparent method for funding this allocation. Fees and charges are resolved upon in order to meet the Waste Minimisation objectives in the Solid Waste Management and Minimisation Plan.

The utilisation of fees and charges (including the cost of solid waste disposal in the cost of the rubbish bag) will ensure that the true cost of collection and disposal is reflected in the right place and paid for by the beneficiary. Reflecting the true cost of disposal in the price of a rubbish bag is also expected to encourage waste minimisation.

7.1.10 Kerbside Recycling

This function involves the provision of kerbside recycling service to residents of Te Kuiti, Piopio, Awakino, Mokau and Waitomo (part only).

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Community/ User Benefit	100%	100%	TUAC (per community where services is provided)

7.1.10a Distribution of Benefits

Community/User Benefit: Communities that are provided with kerbside recycling are considered to be the beneficiaries of this service.

7.1.10b Funding

Community Allocation/User Allocation: Since users can be identified as a particular group (communities that are provided with the service) Council resolved that Targeted Uniform Annual Charge per separately used or inhabitable part of a rating unit differentiated by Community would be the most effective, efficient and transparent method for funding this allocation.

7.1.11 Landfill and Transfer Stations Management

This function involves the maintenance and management of the Waitomo District Landfill in Te Kuiti and Transfer Stations across the District.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	45%	40%	Solid Waste TUAC (District wide)
Community/ User Benefit	55%	60%	Fees and Charges

7.1.11a Distribution of Benefits

District Benefit: The provision of this service provides benefit to the entire District derived from the accessibility of landfill and transfer stations and in terms of maintaining public health standards within the District.

User Benefit: Users of the landfill and transfer stations are the direct beneficiaries of this service.

7.1.11b Funding

District Allocation: Council resolved that a Targeted Uniform Annual Charge levied on the basis of separately used or inhabitable part of a rating unit across the entire District would be the

most efficient and transparent method for funding this allocation.

User Allocation: Council resolved that user Fees and Charges would be the most efficient and transparent method to fund this allocation.

7.1.12 Waste Minimisation

Preserves the environment and minimises potentially negative effects of the solid waste activity. Includes education programmes aimed at drawing attention to the benefits of waste minimisation and recovery.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	90%	22.5%	General Rate
		22.5%	UAGC
		55%	Waste Minimisation Rebate

7.1.12a Distribution of Benefits

National Benefit: Effective Waste Minimisation provides not only environmental, but economic benefits as well, that accrue to the nation as a whole. Effective and appropriate disposal of solid waste helps protect public health and the environment for all New Zealanders.

District Benefit: All residents of the District benefit from general advice and education provided as part of this service. This activity is driven by Central Government policies and there is increased focus on waste minimisation at a national level, the benefits and costs of which accrue to the wider District as a whole.

7.1.12b Funding

National Allocation: There is no lawful funding method to fund this allocation and therefore Council resolved that it be transferred to District Allocation.

District Allocation: Since all residents of the District benefit from the provision of this service, Council resolved a combination of General Rate, UAGC and Ministry of the Environment Waste Minimisation Rebates (when available) to be the most efficient, effective and transparent funding mechanism available to fund this allocation.

7.2 STORMWATER DRAINAGE

7.2.1 Description



Stormwater is rain that runs over the ground on its way to a natural watercourse. When rain falls on buildings, carparks, driveways, roads and gardens, if it doesn't soak into the ground it follows its natural flow path downhill until it reaches a water course or is collected by a pipe

system. Where there is development, runoff from properties and roads flow into stormwater systems. The greater the level of development in a catchment, the greater the level of impervious surfaces (e.g. roofs, driveways, paths etc), and therefore the greater the conversion of rainfall into runoff. If this runoff is not managed well, it will cause flooding. Generally stormwater is channelled on to roads or into open watercourses, then down streams and rivers to lakes and then the sea.

The stormwater system manages runoff by collecting and removing the runoff, eventually disposing of it into natural streams and rivers. The Stormwater Activity involves maintaining and extending the capacity of the existing system and advocating for the appropriate management of rivers and streams within the Waitomo District.

7.2.2 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

CO4	A Vibrant and Prosperous District
	<ol style="list-style-type: none"> 1. A place that attracts more people who want to live, work and play, and raise a family. 2. A place where wealth and employment are created through local businesses and development of tourism opportunities.
CO8	Preserving the Environment
	A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.

7.2.3 Period of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

7.2.4 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.

- Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

7.2.5 Activity Analysis and Funding Mechanisms

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Urban Areas			
Community Benefit	90%	100%	TUAC
User Benefit	10%	0%	Fees and Charges

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Rural Areas			
Community Benefit	90%	100%	TUAC
User Benefit	10%	0%	Fees and Charges

7.2.6 Distribution of Benefits

Benefit: Communities that are provided with this service are the direct beneficiaries as it is their land and buildings that are protected from potential flooding. There are general public health benefits in providing a stormwater system. A further significant community benefit from the stormwater system is that roads remain passable during times of heavy rain and flooding.

User/Applicant Benefit: Individual land or property owners who can connect or are connected to the stormwater network are the direct beneficiaries of the service.

7.2.7 Funding

Community Allocation: Council resolved that the most effective and transparent method to fund this allocation is through a Targeted Uniform Annual Charge to be differentiated between the Urban and Rural rating areas. In deciding the funding split between the Urban and Rural rating areas, Council recognised that most of the stormwater network exists in the Urban rating area and Urban properties benefited most from the service.

User/Applicant Allocation: Council resolved that user Fees and Charges is the most efficient and transparently lawful available method for funding this allocation.

7.2.8 Overall Impact of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

7.3 RESOURCE MANAGEMENT

7.3.1 Description

The Resource Management Activity works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of the Resource Management Act 1991 (RMA 1991).

7.3.2 Functions

The functions comprising this activity are:

- 1) District Plan Administration
- 2) Consent Monitoring

7.3.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

CO4	A Vibrant and Prosperous District
	<ol style="list-style-type: none"> 1. A place that attracts more people who want to live, work and play, and raise a family. 2. A place where wealth and employment are created through local businesses and development of tourism opportunities.
CO8	Preserving the Environment
	A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.

7.3.4 Period of Benefit (Intergenerational Equity)

Resource Management is considered to be an annually funded activity, therefore there is not considered to be any intergenerational equality issues.

7.3.5 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

7.3.6 Benefits Allocation and Funding Mechanism

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Resource Management significant activity follow.

7.3.7 Overall Impact of Funding Mechanisms

Any adjustment made to funding allocations of individual activities, in consideration of the overall impacts on current and future social, economic, environmental and cultural well-being of the community are presented in the activity analysis section.

7.3.8 Activity Analysis and Funding Mechanisms

7.3.9 District Plan Administration

Administration of the District Plan for the sustainable management of physical and natural resources in the District and ensuring the District is developed in a planned and orderly manner.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	50%	General Rate
		50%	UAGC

7.3.9a Distribution of Benefits

District Benefit: Proper and careful administration of the District Plan benefits the wider District as a whole as it implements the framework set out for sustainable land use practices. Accurate administration is instrumental in protecting Environmental Outcomes that are important to the entire District.

7.3.9b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective and efficient method of funding this allocation.

7.3.10 Consent Monitoring

Issuing of Resource Consents for land use and subdivisions and monitoring consents for compliance with conditions. This function ensures protection of the District's environment and sustainable land use.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	15%	15%	General Rate
		15%	UAGC
User/Applicant Benefit	75%	70%	Fees and Charges
Exacerbator	10%		

7.3.10a Distribution of Benefits

District Benefit: This function benefits the wider District as a whole to a certain extent as it promotes, advances and controls sustainable land use, the benefits of which are accrued by the whole District. Central Government policies are an important driver behind this activity and promoting practices that are of national interest and focus is beneficial to the District as a whole.

User/Applicant Benefit: Individuals and groups applying for Resource Consents requiring monitoring are direct beneficiaries of this service.

Exacerbators: These are costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consent conditions, and can result in expensive legal action and/or hearings.

7.3.10b Funding

District Allocation: Council resolved that a combination of General Rate and UAGC would be the most effective, efficient and transparently lawful method available for funding this allocation.

User/Applicant Allocation: Council resolved that user Fees and Charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

Exacerbator Allocation: Council resolved user Fees and Charges to be the most efficient and effective method to fund this allocation.

7.4 SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE

7.4.1 Description

The purpose of the Sewerage Activity is to collect and dispose of sewage in an effective and environmentally friendly manner. Effective and efficient sewage collection and disposal is essential to protect the environment, maintain public health and to facilitate further economic development.



7.4.2 Schemes

Council provides sewerage disposal facilities in the following communities, in order to ensure the effective disposal of sewage in an environmentally sustainable manner and to promote and protect public health.

- 1) Te Kuiti
- 2) Piopio (under construction)
- 3) Benneydale
- 4) Te Waitere.

7.4.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

CO7	Solid Waste and Wastewater
	A place where solid waste and wastewater are managed, and waste is minimised, to preserve and protect our natural environment and meet District community needs.
CO8	Preserving the Environment
	A place where we preserve the natural environment for future generations, ensuring that natural resources are used in a sustainable manner.

7.4.4 Period Of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational.

7.4.5 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.

- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

7.4.6 Activity Analysis and Funding Mechanisms

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Te Kuiti			
Community Benefit	75%	75%	TUAC
User/Applicant Benefit	25%	25%	Fees and Charges

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Te Waitere and Benneydale			
Community Benefit	75%	100%	TUAC
User/Applicant Benefit	25%	0%	Fees and Charges

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Piopio			
Community Benefit	75%	100%	TUAC
User/Applicant Benefit	25%	0%	Fees and Charges

7.4.7 Distribution of Benefits

Community Benefit: Sewer Collection and Treatment reduces the possibility of health problems like spread of communicable diseases resulting from open sewer or inadequate septic tank facilities the benefits of which can be attributed to the community as a whole. Inadequate sewer disposal facilities can also detract from the aesthetic nature of the community and impact on receiving waterways. The Community benefit can vary depending upon the amount of demand present. High users include premises with multiple pans.

User Benefit: Individual users in the particular sewer scheme who want to and are able to use the service can be identified as beneficiaries of the service.

7.4.8 Funding

Community Allocation: Council resolved that a Targeted Uniform Annual Charge differentiated by scheme and levied on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation. Within a scheme area, the charge will be

differentiated for properties that are connected or have the ability to connect (serviceable). Any rating unit will be considered to have the ability to connect (serviceable) if its boundary is situated within 30 metres of a public sewerage drain, to which it is able to be connected but is not so connected.

In Te Kuiti, sewer charges will be levied as per the following considerations:

- Sewer charges will be further differentiated on the basis of residential and non residential properties.
- All residential properties will be treated as having one pan.
- Non residential properties will be charged the same as one connected residential property for up to 3 pans and will be charged per pan for any additional pans.
- Based on their average hours of operation or business hours per week (calculated as an average over the year) all non residential properties will fall under one of the three categories mentioned below and their per pan charges (for over three pans) will be calculated as follows:

Business hours greater than 40 hrs per week	76% of residential pan charge
Business hours equal to 40 hrs per week	36% of residential pan charge
Business hours less than 40 hrs per week	20% of residential pan charge

Council has identified peri-urban beneficiaries to determine the catchment area for the Piopio wastewater system for the application of the targeted rates. The map identifying the area of particular benefit called the Piopio Wider Benefit Area is attached as **Appendix Two**.

** The amount paid by properties within the Piopio Wider Benefit Rating Area is determined annually on the following basis:*

- *Piopio properties connected to the Piopio sewerage system will pay an annual targeted rate of \$1,100 (incl GST) per annum.*
- *Any funding required over and above the amount raised by those properties within Piopio Township is then allocated to the Piopio Wider Benefit Rating Area on a TUAC per rateable property basis.*

7.4.9 Assistance for Smaller Communities

Wastewater services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there are smaller, comparatively under populated, communities in the Waitomo District that may require assistance in funding the sustainable operation of such a service. Council resolved that a contribution be made by all rating units in the District towards the funding of existing

Wastewater services in smaller communities that are eligible so that appropriate and affordable services can be provided on a sustainable basis in response to community outcomes. Council notes that the social, economic and environmental benefits of smaller communities in the District having sustainable wastewater services accrue to the entire District and not just to those communities or the Rural Ward alone.

Council will consider applying this Assistance for Smaller Communities policy to eligible rural communities when the cost per connection to an existing wastewater service exceeds a trigger level of a dollar value to be determined by Council from time to time.

In future, Council might consider capping the total level of assistance that will be provided to eligible communities, making allowance only for annual Consumer Price Index (CPI) or Local Government Cost Index (LGCI) adjustments.

User Allocation: Council resolved user Fees and Charges to be the most efficient method for funding this allocation. Revenue is received from connection fees and Trade Waste charges.

7.4.10 Trade Waste Charges

Council has, for the past three financial years, been progressively implementing the Trade Waste Bylaw as it relates to Trade Waste Charges. The strategy (in 2008/09) was to introduce a new Trade Waste Charging regime that resulted in larger industries (the meat processing companies) contributing to 60% of the costs associated with Council receiving and treating their Trade Waste, increasing by 10% per year with a view to full cost recovery after four years. This policy position was to be monitored by Council and reviewed periodically.

Council has now amended this position in support of its Strategic Goals for Community Development and Economic and Social Well-being. These larger industrial meat processing industries (namely Te Kuiti Meats and Universal Beef Packers) play a major role in the local community. The very nature of their presence means that they contribute to economic and social well-being. They do that by virtue of the fact that they employ a large number of local people. There are a range of positive downstream impacts for the community as a result. There is an economic benefit in that the related employment results in economic activity with people living locally and investing in the local property market, sending their children to local schools and spending their earnings within the local economy. Social benefits also accrue with families becoming integrated within the local community, joining clubs and societies and reduced crime.

As a result Council has changed the Revenue and Financing Policy as it relates to the levying of Trade Waste Charges. The amended policy is designed to recognise the Economic and Social

gains that exist from having good Corporate Citizens operating within the local Community. Council will continue with the 'exacerbator pays' principle for the large industrial meat processing companies as users of the Wastewater Network in Te Kuiti through the continued implementation of the Trade Waste Bylaw as it relates to Trade Waste Charges. However, Council will recognise the public good attached to the contribution these industries make to the Social and Economic Well-being of the District Wide Community. This public good component is considered to be enjoyed by all in the community. By having such a large combined demand for a labour force means that these industries attract people to our community for work and lifestyle reasons. Having these people living and working in the community provides economies of scale for infrastructure and services that are then enjoyed by all in the District. Further, these industries not only provide employment opportunities but also largely exist to add value to products produced by primary industry within the Waitomo District.

Council has decided that the cost of receiving and treating Trade Waste via the Te Kuiti Wastewater Network will be funded 80% by way of Trade Waste Charges (Exacerbator Pays) and 20% by way of Targeted Uniform Annual Charge (Public Good) across every rateable property in the District. The funding of the public good component by way of a Targeted Uniform Annual Charge (TUAC) on every rateable property in the District was implemented in the 2010/11 financial year.

The continuation of the cap on Trade Waste Charges at 80% of full cost recovery is dependant on Te Kuiti Meats Limited and Universal Beef Packers providing a demonstrable commitment to an agreed level of on-site treatment of their Trade Waste prior to releasing it to the Te Kuiti Waste Water Reticulation Network.

7.4.11 Overall Impact of Funding Mechanisms

On the basis of the activity analysis in terms of benefits and cost allocation, Council resolved that no adjustments need to be made to the cost liability allocations.

8.0 ECONOMIC SUSTAINABILITY

Environmental Sustainability area works to promote a growing and sustainable economy in the Waitomo District.

The groups of activities contained within this group are:

- Water Supply
- Provision of Roads and Footpaths.

8.1 WATER SUPPLY

8.1.1 Description

The purpose of the Water Supply Activity is to supply safe water to the communities in the Waitomo District. Water supply is essential to run households, maintain public health and sustain economic development. Council is committed to providing a water supply service that meets the diverse needs of the Waitomo District.

8.1.2 Supply Areas

Council provides water supply in the following communities:

- 1) Te Kuiti
- 2) Benneydale
- 3) Mokau
- 4) Piopio

8.1.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

CO4	A Vibrant and Prosperous District
	<ol style="list-style-type: none"> 1. A place that attracts more people who want to live, work and play, and raise a family. 2. A place where wealth and employment are created through local businesses and development of tourism opportunities.
CO5	Water Supplies
	A place where water supply infrastructure maintains good public health and meets District community needs.

8.1.4 Period of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

8.1.5 Costs and Benefits

The merit of identifying and accounting for this Activity separately from other Activities enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.

- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of the Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required to support the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

8.1.6 Activity Analysis and Funding Mechanisms

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Te Kuiti			
Community Benefit	75%	75%	TUAC
User/Applicant Benefit	25%	25%	Fees and Charges

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Mokau			
Community Benefit	75%	70%	TUAC
User/Applicant Benefit	25%	30%	Fees and Charges

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Piopio			
Community Benefit	75%	85%	TUAC
User/Applicant Benefit	25%	15%	Fees and Charges

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Benneydale			
Community Benefit	75%	55%	TUAC
User/Applicant Benefit	25%	45%	Fees and Charges

8.1.7 Distribution of Benefits

Community Benefit: Water treatment and supply contributes to providing a safe and healthy lifestyle and reduces the possibility of health problems resulting from contaminated water and inadequate supply. These benefits are attributable to the community (where the services are provided) as a whole. Provision of water

supply ensures the maintenance of fire fighting capability, the benefits of which accrue to the entire community. All residents and properties in the area serviced by a particular water supply scheme can be identified as direct beneficiaries of the service.

8.1.8 Funding

Community Allocation: Council resolved that Targeted Uniform Annual Charge differentiated by supply area and levied on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

Within a water supply area, the charge will be differentiated for properties that are connected or have the ability to connect (serviceable). Any rating unit will be considered to have the ability to connect (serviceable) if its boundary is situated within 100 metres of a water main, to which it is able to be connected but is not so connected.

Any rating unit fitted with a water meter and/or defined as an extraordinary user will be charged a fixed rate per cubic metre of water consumed.

8.1.9 Assistance for Smaller Communities

Water Supply services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there are smaller, comparatively under populated, communities in the Waitomo District that may require assistance in funding the sustainable operation of such a service. Council resolved that a contribution be made by all rating units in the District towards the funding of existing Water Supply services in smaller communities that are eligible, so that appropriate and affordable services can be provided on a sustainable basis in response to community outcomes. Council notes that the social, economic and environmental benefits of smaller communities in the District having sustainable Water Supply services accrue to the entire District and not just to those communities or the rural ward alone.

Council will consider applying this Assistance for Smaller Communities policy to eligible rural communities when the cost per connection to an existing water supply service exceeds a trigger level of a dollar value to be determined by Council from time to time.

In future, Council might consider capping the total level of assistance that will be provided to eligible communities, making allowance only for annual Consumer Price Index (CPI) or Local Government Cost Index (LGCI) adjustments.

8.1.10 Overall Impact of Funding Mechanisms

Council proposes as a result of the activity analysis that no adjustment needs to be made to the cost liability allocations.

8.2 PROVISION OF ROADS AND FOOTPATHS

8.2.1 Description

The Provision of Roads and Footpaths Activity involves the maintenance and development of roads, kerbs and channels, bridges, street lighting, footpaths and street cleaning for all of the Waitomo District, with the exception of the State Highways, which are managed by New Zealand Transport Agency (NZTA). Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

8.2.2 Functions

The functions comprising this activity are:

- 1) Subsidised Roading
- 2) Unsubsidised Roading.

8.2.3 Community Outcomes

The table below shows the Community Outcomes that this Activity contributes to:

CO4	A Vibrant and Prosperous District
	<ol style="list-style-type: none"> 1. A place that attracts more people who want to live, work and play, and raise a family. 2. A place where wealth and employment are created through local businesses and development of tourism opportunities.
CO6	Transport Infrastructure
	A place where our transport infrastructure is safe and reliable, and supports living and development.

8.2.4 Period Of Benefit (Intergenerational Equity)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

8.2.5 Costs and Benefits

The merit of identifying and accounting for functions under this Activity separately from other functions enables:

- (a) More transparent disclosure and accountability of projects and funding to the Waitomo Community.
- (b) Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.
- (c) Identification of how the Activity contributes to the achievement of COs and service delivery goals through detailed understanding and planning.
- (d) Improved monitoring of an Activity in terms of how well Council is achieving its COs annually.
- (e) Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.

8.2.6 Benefits Allocation and Funding Mechanism

This funding policy has been developed at the functions level. The revenue and financing of separate functions of the Provision of Roads and Footpaths significant activity follow.

8.2.7 Overall Impact of Funding Mechanisms

Following the consideration of the matters referred to in Section 101(3)(a) a picture emerges of where the benefits of engaging in the activity accrue. Once this is done and indicative costs allocation compiled, Council considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community and made any adjustments as assessed by them. Elected member judgement was important at this point, because many of the benefit distribution and resulting funding allocations are subjective and benefit from final overall assessment and adjustment by community representatives.

The results of the individual activity analysis and any adjustments made to funding allocations are presented on the following pages.

8.2.8 Activity Analysis and Funding Mechanisms

8.2.9 **Subsidised Roading**

New Zealand Transport Agency (NZTA), the national road funding authority, provides a subsidy for works that meet the criteria for subsidy. The Activities currently subsidised by NZTA are:

- 1) Sealed Pavement Maintenance
- 2) Unsealed Pavement Maintenance
- 3) Routine Drainage Maintenance

- 4) Structures Maintenance
- 5) Environmental Maintenance
- 6) Traffic Services Maintenance
- 7) Level Crossing Warning Devices
- 8) Emergency Reinstatement
- 9) Network and Asset Management.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	58%	30%	Subsidy
District Benefit	42%	65%	Targeted Rate (rate in dollar or capital value)
		3%	UAGC
		2%	Petroleum Tax Rebates and Contributions

8.2.9a Distribution of Benefits

National Benefit: The District's roading network is part of the national and regional transport network. Efficient and sustainable development of the network within the District contributes to the economic and social well-being of the entire nation as it is used by travellers, goods transporters and others who may or may not live in the District. Transport facilities are maintained and developed to provide safe and comfortable travel within and through the District.

District Benefit: All residents and properties within the District can be identified as direct beneficiaries of the service as provision of roads enables access and transport to people and organisations within the District. The economic benefits of maintaining efficient transport facilities accrue to all residents of the District in one way or another.

8.2.9b Funding

National Allocation: The National benefit portion is funded through NZTA subsidy. The amount of subsidy is decided by NZTA and is based on assessing costs and benefits.

District Allocation: Council resolved that a combination of Targeted Rate (rate in dollar of capital value) levied on all rating units, a UAGC, Petroleum Tax Rebates and contributions to works would be the most efficient and transparently lawful method of funding this allocation. Council resolved that funding a small portion of the allocation through UAGC would ensure equity in the funding sources by recognising the fact that the entire community has equal access to the roading network.

8.2.10 Unsubsidised Roading

These are activities carried out to ensure the safe and efficient travel within and through the District and are necessary for road or pedestrian safety and convenience, but are not subsidised by NZTA and for which Council has sole financial responsibility. These include:

- 1) Footpath Maintenance
- 2) Footpath Renewals
- 3) Amenity Lights
- 4) Unsubsidised Miscellaneous
- 5) Street Cleaning
- 6) Professional Services.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District	100%	67%	Targeted Rate (Urban rating area)
		8%	Targeted Rate (Rural rating area)
		25%	Fees and Charges

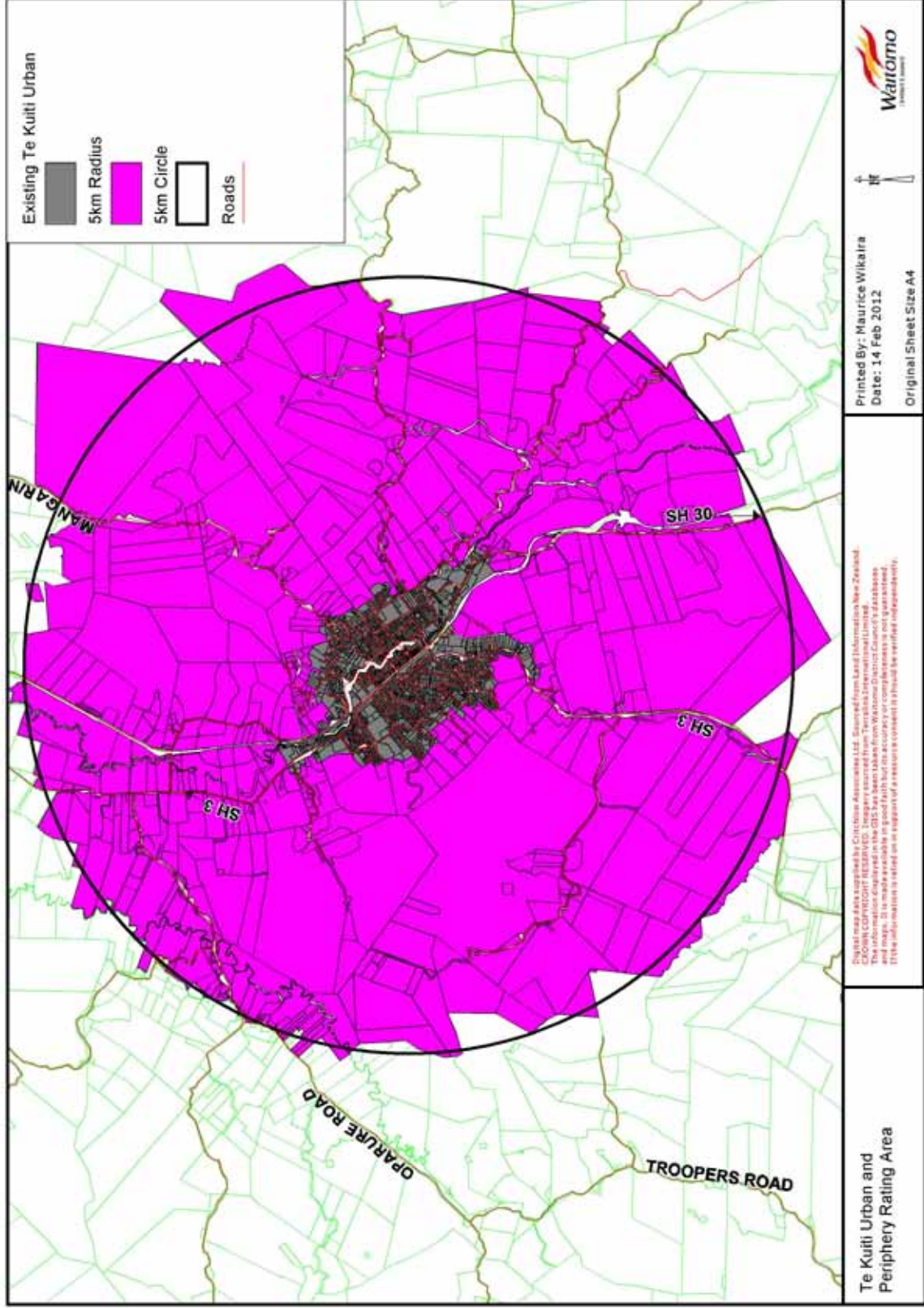
8.2.10a Distribution of Benefits

District Benefit: Maintenance of transport services to provide for pedestrian safety and convenience has a District wide benefit in that all residents use or visit the urban centres.

8.2.10b Funding

District Allocation: Council resolved that it would be most equitable to ring fence the costs of the activity as they fall in terms of Wards, and therefore a Targeted Rate in dollar of capital value differentiated by rating area would be the most efficient method of funding this allocation. Fees and charges include receipts from road closures, overweight permits, etc. together with a long standing contribution from McDonald's Lime towards maintenance of the District's roads based on annual production.

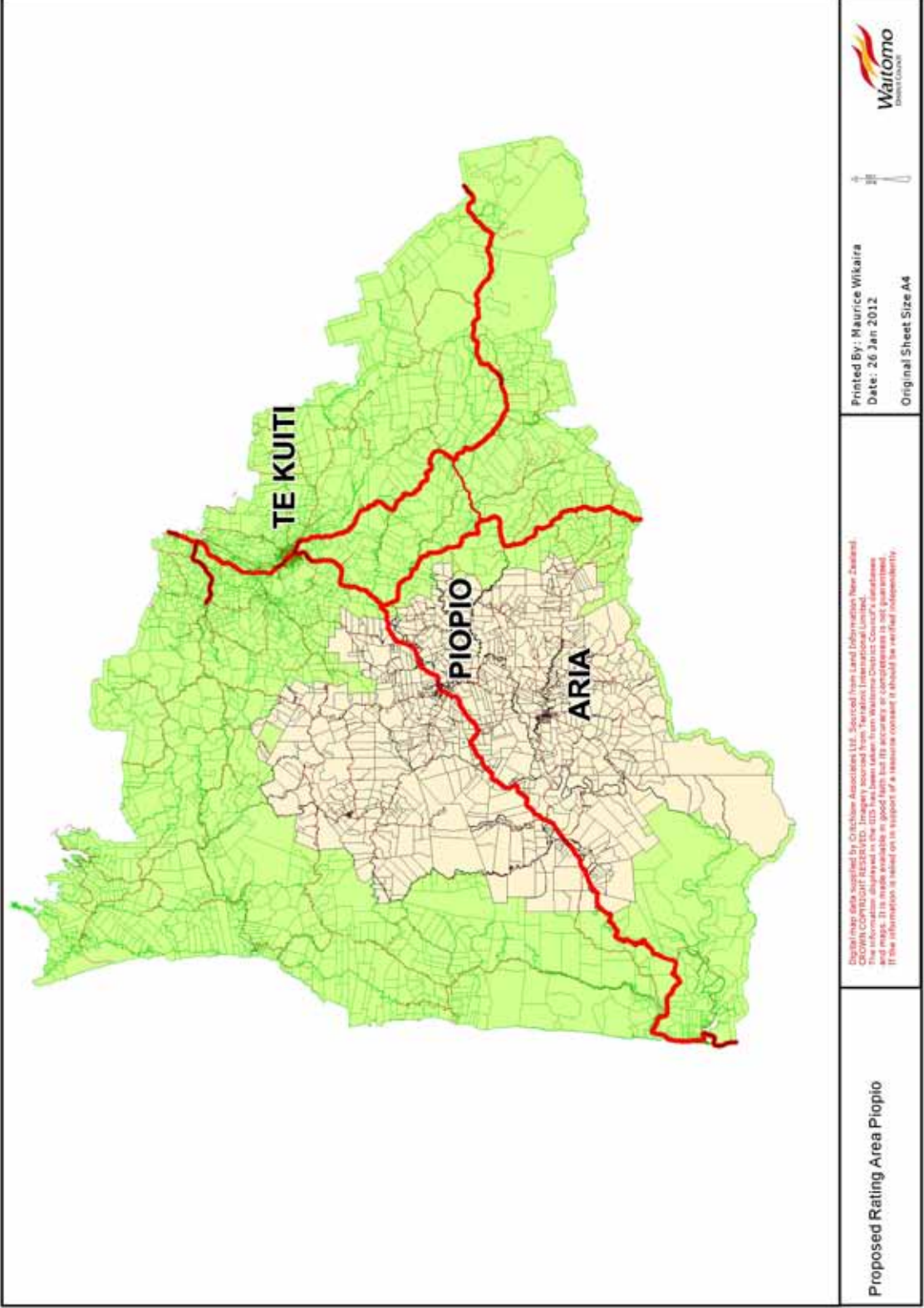
APPENDIX ONE: TE KUITI URBAN AND PERIPHERY RATING AREA



Te Kuiti Urban and Periphery Rating Area



APPENDIX TWO: PIOPIO WIDER BENEFIT AREA



Policy on Significance

1.0 SUMMARY

1.1 This Policy has been developed to comply with Section 90 of the LGA 2002. It addresses the thresholds, criteria and procedures by which issues, decisions, and proposals, will be considered as significant by Waitomo District Council and therefore consulted on using a method commensurate with the significance of the decision (in accordance with Section 79 (1)(a)). The Policy also determines which assets of Council it considers strategic.

2.0 POLICY OBJECTIVES

- 2.1 The objectives of the Policy are:
- To outline under what situations Council will consult with the Waitomo District on issues of significance, that fall outside other specific provisions of LGA 2002.
 - To outline the basis on which Council considers issues to be of significance to the Waitomo District.
 - To outline which assets Council considers strategic.
 - To comply with Section 90 of the Local Government Act 2002.

3.0 STATUTORY REQUIREMENTS

3.1 Section 90 of the LGA 2002 outlines the content of a policy on significance:

"90 Policy on significance

- (1) *Every local authority must adopt a policy setting out---*
- (a) *that local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters; and*
- (b) *any thresholds, criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, decisions, or other matters are significant.*
- (2) *The policy adopted under subsection (1) must list the assets considered by the local authority to be strategic assets.*
- (3) *A policy adopted under subsection (1) may be amended from time to time.*
- (4) *A local authority must use the special consultative procedure both in relation to---*
- (a) *the adoption of a policy under subsection (1); and*
- (b) *the amendment, under subsection (3), of a policy adopted under subsection (1)."*

4.0 RELATIONSHIP TO OTHER COUNCIL POLICIES

- 4.1 It is important when reading this Policy that it is read in conjunction with other related Council policies. Council policies are often linked so that any issue before Council can be dealt with in an integrated and comprehensive fashion. Policies that have a clear relationship with the Policy on Significance are:
- Council's Governance Statement, Standing Orders and the Delegations Register (in terms of operating the policy).

- Council's Investment Policy, Liability Management Policy, Revenue and Financing Policy and Long Term Plan, as these identify and/or set the parameters for the financial implications of significant decisions.

5.0 DEFINITION OF SIGNIFICANCE

5.1 *The LGA 2002 defines significance as:*

"significance, in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,---

- (a) *the current and future social, economic, environmental, or cultural well-being of the District or region;*
- (b) *any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;*
- (c) *the capacity of the local authority to perform its role, and the financial and other costs of doing so.*

"significant, in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance."

6.0 GENERAL APPROACH TO DETERMINING SIGNIFICANCE

- 6.1 An issue, decision, proposal or other matter is considered to have significance to the Waitomo District, if (in a material sense):
- a. The consequences or impacts of the issue or decision will significantly affect the overall sustainable development of the District.
- b. The issue or decision is determined to be significant by Council through resolution, and has not been previously consulted on by the Special Consultative Procedure through Council's Annual Plan or Long Term Council Community Plan.
- c. The consequences or impacts of the issue, assets or other matters, will significantly affect the ability of the community to progress toward its Strategic Goals and Community Outcomes as outlined in the Long Term Plan.
- d. The issue or decision may lead to significant change to levels of service, or service provision, in terms of:
- Potential reduction in levels of service below any level of service standards adopted by Council, including change to service delivery points.
 - Potential changes to levels of service that invoke cost implications as outlined under the financial thresholds provided for in this Policy.
- e. Involves Council's entry into any partnership, transfer of ownership or management control to be exercised over an entire Significant Activity (as defined by Council's Revenue and Financing Policy).

- f. The decision involves the acquisition or disposal of a strategic asset as determined by the LGA 2002 or this Policy.

7.0 THRESHOLDS AND PROCEDURES

- 7.1 When undertaking a process to determine the extent to which issues, proposals, decisions or other matters are significant; the Council will use the following thresholds and procedures:

Thresholds:

A possible increase in funding requirement in excess of:

- (a) 20% of total Council operating budget costs or,
- (b) Capital expenditure in excess of 2.5% of the total value of Council's assets

Note 1: Emergencies and emergency works of Council are excluded from this Policy, as by their very nature, they are unplanned and must be responded to immediately.

Note 2: The threshold for capital expenditure relates to new or development expenditure only. Asset renewal is an important aspect of owning and managing assets.

Note 3: The thresholds above are not mutually exclusive. Capital expenditure is likely to result in associated operating costs, which must also be tested for materiality.

Procedures:

Decisions on 'significance' will be made in accordance with the Council's requirement that the Chief Executive brings to Council professional and technical advice on all matters in accordance with Council's policies and reporting procedures.

Where any issue, policy, decision or other matter triggers one or more of the thresholds or criteria in this Policy the Chief Executive shall report the matter to Council. Reports to Council or its committees shall include a statement indicating that the issue, proposal, decision or other matter has been considered in regard to Council's Policy on Significance and shall include an assessment of the degree of significance of the issue, proposal, decision or other matter. The report will also make recommendation as to the procedural requirements to be followed by Council prior to making a decision on the issue, proposal, or other matter.

8.0 CRITERIA

- 8.1 If a decision or proposal satisfies one or more of the following criteria, the matter is likely to have a high degree of significance:
- (a) the decision or proposal affects all or a large portion of the community in a way that Council considers is not inconsequential; or
 - (b) the impact or consequences of the decision or proposal on the affected persons (being a number of persons) will, in Council's view, be substantial; or
 - (c) the financial implications of the decision on the Council's overall resources are substantial.

9.0 STRATEGIC ASSETS

- 9.1 The LGA 2002 provides the following definition of strategic assets:

"5 Interpretation

strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes-

- (a) any asset or group of assets listed in accordance with section 90(2) by the local authority; and
- (b) any land or building owned by the local authority and required to maintain the local authorities capacity to provide affordable housing as part of its social policy; and
- (c) any equity securities held by the local authority in-
 - (i) a port company within the meaning of the Port Companies Act 1988:
 - (ii) an airport company within the meaning of the Airport Authorities Act 1966."

- 9.2 Council has identified the following strategic assets and groups of strategic assets:

- Road Network in its entirety
- Water Network in its entirety (Statutory)
- Wastewater Network in its entirety (Statutory)
- Reserves Network in its entirety
- Housing for Elderly Persons (Statutory)
- Stormwater Network in its entirety
- Refuse Transfer Stations Network in its entirety
- Public Cemeteries in their entirety
- Cultural and Arts Centre in its entirety.

- 9.3 The Council is clear that strategic assets (as defined above) are the assets in total and not every single element of the assets. For example:

- It is the water supply network as a whole that is the strategic asset and not each individual pipeline, filter and pump station.
- The roading network is strategic, but small parcels of land that make it up may not be, and the purchase (or sale) of such parcels of land is unlikely to amount to a significant decision.

The requirements of s.97 of the Act are therefore only triggered if the proposal relates to the asset as a whole, or a major sub-part of the asset.

If any strategic asset of Council is realised for cash, that cash or any assets purchased with that cash, will be managed in accordance with the Council's Treasury Policy.

