

**Manawatū District Council**

# **Revenue and Financing Policy**

**Draft Long Term Plan 2018-28**

# Revenue and Financing Policy

The Local Government Act 2002 requires Council to adopt a Revenue and Financing Policy. This policy outlines how the expenditure needs of Council activities are funded. Council has developed this policy as part of the 2018-28 Long Term Plan

## Process

There are three main steps for the development of the Revenue and Financing Policy.

### **Identify Activities**

This step requires Council to determine the activities it will be involved with (e.g. community facilities, roading etc.).

### **Analysis at activity level**

Step two requires Council to identify the most appropriate funding sources for each activity. Council is required to consider:

- Council Outcomes – what are the council outcomes the activity primarily contributes toward
- User/Beneficiary Pays principle – how the benefits of the activity are spread – across the community or to particular groups or individuals
- Intergenerational Equity principle – who will benefit from the activity in the future and how should the costs be shared between present and future generations
- Exacerbator Pays principle – are there parties whose actions or inactions contribute to the need for activities
- Costs and benefits of funding activities distinctly from other activities – are the funding sources for each activity efficient, transparent and accountable.

### **Consideration of impact on affordability**

In this step, Council must consider the collated results of Steps 1 and 2 and identify the impacts on affordability. Changes to the selection of funding mechanisms may be made dependent on this analysis summarised below and in the Funding Impact Statement (FIS), which discloses information about all of the funding sources.

## Funding of Operating Expenditure

- General rates
- Targeted rates
- Lump sum contributions
- Fees and charges
- Interest and dividends from investments

Council may choose not to fully fund operating expenditure in any particular year if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates, fees or charges.

## Funding of Capital Expenditure

Council funds capital expenditure from borrowing and then spreads the repayment of that borrowing over several years. This enables Council to match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Liability Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, Council seeks to match the term of borrowings with the average life of assets when practical.

Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

- Council reserves, including reserves comprising financial contributions under the Resource Management Act 1991
- Contributions towards capital expenditure from other parties such as Transfund (in relation to certain roading projects)
- Development contributions
- Annual revenue collected to cover depreciation charges
- Proceeds from the sale of assets
- Operating surpluses
- Any other sources

Activity	Funding Split		Funding Mechanism	
	Public	Private	Public	Private
<b>Community Facilities</b>				
Cemeteries	70%	30%	UTR	User Fees and Charges [interment, plots etc]
Libraries	95%	5%	UTR (Feilding 60%, Rural 40%)	User Fees and Charges [fines, fees internet etc]
Makino Aquatic Centre	65%	35%	UTR (Feilding 60%, Rural 40%)	User Fees and Charges [admission, hireage, classes etc]
Parks, reserves and Sports grounds	95%	5%	Targeted Rate (cv) / UTR	User Fees and Charges [ground fees and hireage]
Property	70%	30%	General Rate (cv)	User Fees and Charges [leases and rent]
Halls and Recreation Complexes	100%	0%	UTR	n/a
Public Conveniences	100%	0%	UTR	n/a
<b>District Development</b>				
Community Development	100%	0%	General Rate (cv)	n/a
Economic Development	100%	0%	General Rate (cv)	n/a
Feilding CBD Security	20%	80%	General Rate (cv)	Targeted Rate (fixed) CBD only
<b>Emergency Management</b>				
Civil Defence	100%	0%	UTR	n/a
<b>Regulatory</b>				
Animal Control	40%	60%	UTR	User Fees and Charges [registration, impoundments, infringements etc]
Building Control	40%	60%	General Rate (cv) / UTR	User Fees and Charges [building consents, warrants, infringements etc]
Compliance and Monitoring	90%	10%	General Rate (cv) / UTR	User Fees and Charges [registration, licences, permits, certificates etc]

Activity	Funding Split		Funding Mechanism	
	Public	Private	Public	Private
Consent Planning	70%	30%	General Rate (cv) / UTR	User Fees and Charges [consents, infringements etc]
District Planning	100%	0%	UTR	n/a
<b>Governance and Strategy</b>	100%	0%	UTR	n/a
<b>Roading</b>				
Feilding CBD Redevelopment	15%	85%	General Rate (cv)	Targeted Rate (cv) CBD only
Roading	55%	45%	Targeted Rate (cv) / UTR	Subsidies [NZTA subsidy]
<b>Solid Waste</b>				
Solid Waste Collection and Disposal	50%	50%	UTR	User Fees and Charges [blue bag sales, transfer station gate takings, fines]
Kerbside Recycling Collection	0%	100%	n/a	Targeted Rate (fixed) available only
<b>Stormwater</b>				
Rural Land Drainage	0%	100%	n/a	Targeted Rate (cv) scheme only
Urban Stormwater*	20%	80%	General Rate (cv)	Targeted Rate (fixed) scheme only
<b>Wastewater</b>	0%	100%	n/a	Targeted Rate (fixed) [connected/ available/ restricted] User Fees and Charges [trade waste charges, voluntary volumetric]
<b>Water Supply</b>	0%	100%	n/a	Targeted Rate (fixed) [connected/ available/ restricted] User Fees and Charges [water by metre – commercial, extraordinary users, voluntary volumetric]

*\* Note: Council is consulting on a District-wide Stormwater Assessment which seeks to increase stormwater levels of service in many of the Villages in the District. Council's preferred option is for new LOS to be funded through a targeted rate for those who benefit from a stormwater scheme, harmonised across the District. Differentials will be used to ensure that those residents receiving a higher stormwater level of service pay slightly more than those receiving a lower level of service.*

# Community Facilities

## Cemeteries

### Funding Analysis

Cemeteries provide both public and private benefits. While the Burial and Cremation Act 1964 requires local authorities to provide cemeteries, public benefits include reduced risk to public health, provision of an important historical resource for the District and maintenance of human respect and dignity. Significant private benefits exist in the provision of individual gravesites as specific places for burial and remembrance within a well maintained and park-like setting. Certain groups or individuals may be excluded from these benefits due to cost. Benefits are ongoing to the community, families and individuals.

Income from cemeteries may not cover burial costs or contribute to ongoing maintenance and administration costs. Vandalism and the failure of families to maintain headstones are sources of exacerbator costs.

### Identified Funding Sources and Mechanisms

#### Funding Split >>



The public expect provision of a cemetery service that everyone can use, while the individual or family meet the costs of burial. Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (district wide) (public funding) and user fees (private funding).

The use of these funding sources is transparent through the Annual Plan.

Recovery of exacerbator costs will be in full where possible.

## Libraries

### Funding Analysis

Libraries represent a collective community resource. Significant community benefits are associated with the provision of library services. These include Wi-Fi and internet access for digital literacy, opportunities, programmes and experiences that building and promote lifelong learning, access to written, recorded and digital information, important spaces for the community to use, displays and learning and storage facilities for important historical and community information.

Library services also provide private benefits through individual access to written and online educational resources, research materials and leisure time reading. While the service is available to all, people can be excluded from its benefits through library hours, user charges and unavailability of particular books or resources.

Benefits accrue constantly to the community. Some benefits, such as capital expenditure on library facilities and books accrue over their expected lifetime. Additional costs to Council are caused through overdue, lost and damaged resources and the need for the Feilding Library building to comply with new earthquake prone building standards.

## Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and fees (private funding). Due to the proximity of the library to Feilding residents, 60% of the expenditure will be recovered from ratepayers within the 2009 Feilding Differential Rating Area (FDRA), while 40% will be recovered from the remainder of the district.

The use of these funding sources is transparent through the Annual Plan and schedule of fees. Recovery of exacerbator costs, through fines and other charges, will be in full where possible.

## Makino Aquatic Centre

### Funding Analysis

The Makino Aquatic Centre provides public benefits such as:

- a safe, quality aquatic complex including indoor and outdoor swimming pools for water recreation
- Providing 'Learn to Swim', water confidence, recreation programmes and activities for all levels of ability year round
- Working with the District's schools to deliver 'Water Safety' programmes
- contributing to community health and well-being
- adding to the attractiveness of the district for current and prospective residents
- two community meeting rooms
- Hosting Makino Aquatic Challenges and community events
- Hosting local, regional and national water events.
- Working with after-school and school holiday programme providers
- Providing advice and services to community pool providers throughout the District

The Makino Aquatic Centre is available to all and offers significant public benefit, whether members of the public choose to use the centre or not. Opening hours can exclude people from the venue. It also provides private benefits to individuals and groups such as providing supervised water play and swimming space, individual swim coaching, training, aqua fitness, relaxation, water confidence and water safety education. Council considers it is important that the Makino Aquatic Centre remains competitive with other pools in the region.

The benefits of the Makino Aquatic Centre are ongoing to the community and future generations. Vandalism and pool contamination cause additional costs to Council.

## Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a combination of targeted rates (public funding) and user fees (private funding). Due to the proximity of the Makino Aquatic Centre to Feilding residents, 60% of the expenditure is recovered from ratepayers within the 2009 Feilding Differential Rating Area (FDRA), while 40% is recovered from the remainder of the district.

The use of these funding sources is transparent through the Annual Plan and schedule of fees and charges.

Recovery of costs for extra services, such as holiday programmes and swimming lessons will be in full from the participant.

Recovery of exacerbator costs (e.g. vandalism, pool contamination) will be in full where possible.

## **Parks Reserves and Sports Grounds**

### **Funding Analysis**

Parks reserves and sports grounds, including open spaces, gardens, trees and playgrounds, provide significant public benefits, including:

- provision of quality, safe spaces for recreation and leisure
- community pride
- contributing to community health and well-being
- adding to the beauty of the district
- education on the natural environment, including types of plants and wildlife
- providing a walking and cycling network that links neighbourhoods, schools and community facilities

Parks, reserves and sports grounds provide some private benefits to individuals and groups, such as participation in leisure and recreation opportunities (e.g. flying kites, walking the dog, exercise). Parks, reserves and sports grounds are available the majority of the time. Benefits are ongoing to groups and individuals. Future generations will benefit in areas set aside for parks, reserves and sports grounds. It is difficult to exclude people from enjoying the benefits of these areas. Misuse and vandalism can cause additional costs to Council.

### **Identified Funding Sources and Mechanisms**

Funding Split >>



Council decided the most appropriate means to fund the public portion of this activity is through a combination of uniform targeted rate (district wide) and a targeted rate (based on capital value with differentials) (public funding) and fees and charges as well as donations (private funding).

The use of these funding sources is transparent through the Annual Plan and schedule of fees.

Recovery of exacerbator costs (e.g. vandalism) will be in full where possible.



## Property

### Funding Analysis

Council owned houses, buildings and land throughout the district provide significant public benefits as these form part of Council's asset portfolio. It also allows individuals, businesses and non-profit organisations the opportunity to rent or lease properties throughout the District. Council will only acquire and hold properties to assist in achieving the strategic objectives of Council. Accordingly, Council does not involve itself in acquiring properties for investment purposes.

The benefits of Council owned property is on-going, as long as property asset facilities are well maintained, safe and meet quality standards. Non- payment of leases or rent is an additional cost to Council.

### Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a general rate (based on capital value with differentials) (public funding).

The use of this funding source is transparent through the Annual Plan. Private funding (gathered through leases or rent) is used to off-set the cost of the properties.

Recovery of exacerbator costs will be in full where possible.

## Halls and Recreation Complexes

### Funding Analysis

Rural and community halls and recreation complexes provide significant public benefits through provision of multi-use venues for local communities and a hub for the community in the event of a natural disaster. Halls contribute to enhancing the community's sense of social connectedness, cultural wellbeing and civic pride. Rural and community halls and recreation complexes provide private benefits through private events held in halls.

While halls are available to all, people can be excluded from its benefits through user fees, bookings and locked doors. Benefits are immediate and ongoing to individual communities and particular user groups.

Misuse and vandalism can cause additional costs to Council.

### Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding). The use of this funding source is transparent through the Annual Plan. Private funding (gathered through hall fees) is used at the discretion of the Hall Committee.

Recovery of exacerbator costs will be in full where possible.

## Public Conveniences

### Funding Analysis

Public conveniences provide significant public benefits such as maintaining appropriate standards in public health and meeting the expectations of residents and visitors. Council maintains public conveniences to ensure that they are clean, accessible and fit for purpose. Provision of public conveniences provides some private benefits, in the form of personal comfort.

These services are generally available to all, although people can be excluded through facilities being closed. Benefits are immediate to the individual and ongoing for the community. Vandalism can be a major source of exacerbator costs.

### Identified Funding Sources and Mechanisms

Funding Split >>



100% Public

The provision of public conveniences is an essential service for the community. Council policy seeks to encourage the use of public toilets to maintain community standards, hygiene and lessen anti-social acts. It is impractical to collect payment

for the use of public conveniences without significant investment. Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding).

The use of this funding source is transparent through the Annual Plan.

Recovery of exacerbator costs will be in full where possible.

## District Development

### Community Development

#### Funding Analysis

The provision of funding and support for community organisations, individuals and community development initiatives is of significant public benefit to the district as a whole. Public benefits include the delivery of local projects, actions, events and programmes to promote economic, social, ecological and cultural wellbeing in our District. Participants of the Community Planning programme are able to implement identified projects and actions. Funding is also made available for individuals and teams that will be representing the Manawatū District on the national and world stage, events organised by the community for the community and District, and to assist non-Council operated swimming pools with chemical costs where they are open for public use.

Most benefits occur in the year of expenditure. Others occur over a specific time period (e.g. surf patrol during summer) or are ongoing over several years.

## Identified Funding Sources and Mechanisms

Funding Split >>

**100% Public**

Grants benefit the whole district. Council decided the most appropriate means to fund this activity is through a general rate (based on capital value with differentials) (public funding). Extra funding may be given in the form of low interest loans or reserve funds.

These funding sources are transparent through the Annual Plan, Annual Report and contracts.

## Economic Development

### Funding Analysis

The whole community benefits from Economic Development. Council, together with the Central Economic Development Agency (CEDA) and partners, provide support to businesses, to enhance the economic potential and employment opportunities of the district, promote the district to potential investors and increase the pride and quality of life of all residents. Providing sufficient land with suitable zoning, infrastructure and services supports the expansion of economic activity and well-being in the District.

Benefits from Economic Development occur across the community now and in the future, depending on where funding support is applied. Public benefit is gained through funding actions to increase access to new markets and expand opportunities for growth and job creation, enhancing employment opportunities for existing residents as well as attracting new residents.

A healthy district economy is vital to the present and future viability of the community. Business support programmes, labour market analysis and efforts to improve pathways to employment will support business innovation, enhance the prosperity of residents and ensure provision of skilled workers to expand local industry.

Some private benefits may accrue to private operators and businesses. It is difficult and illogical to recover the costs of these benefits, although indirect recoveries may occur through increases in the district's value, increased business activity, new opportunities for district residents and attractiveness to potential investors. No actions/inactions that cause additional costs to Council were identified.

Benefits of Feilding CBD security services are greatest for those businesses within the defined CBD area, with reduced risk of burglary or vandalism. Residents and visitors also benefit from security services which keep the CBD attractive and safe.

## Identified Funding Sources and Mechanisms

### Economic Development

Funding Split >>



100% Public

Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials) (public funding). Economic Development benefits the whole district and the community expects Council to be involved in economic development activities. Introduction of a charge for economic development funding is illogical, would exclude groups who most need support and defeats the purpose for which funding is set aside.

The use of this funding source is transparent through the Annual Plan.

### Feilding Central Business District (CBD) Security

Funding Split >>



20% Public

80% Private

Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials) (public funding) and a targeted rate on the defined CBD area (based on capital value) (private funding).

The use of these funding sources is transparent through the Annual Plan and rising property values.

## Emergency Management

### Civil Defence

#### Funding Analysis

Civil Defence provides significant public benefits through:

- increased preparedness for natural disasters
- helping minimise the effects of a natural disaster on people and property
- giving peace of mind for residents
- providing a system for recovery following a natural disaster.

The system aims to protect the whole community, although some individuals may benefit more than others. These benefits occur now through preparedness, awareness, in the future through response, and recovery during and after an emergency.

## Identified Funding Sources and Mechanisms

Funding Split >>



100% Public

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding). It is impossible to identify those who use the service more than others and impractical to recover costs.

The use of this funding source is transparent through the Annual Plan.

Recovery of exacerbator costs will be in full where possible.

## Regulatory

### Animal Control

#### Funding Analysis

Animal Control provides some public good through enhancing public health and safety, controlling problem animals, and preventing nuisances, potential injury and distress. It ensures animal owners are educated about appropriate animal behaviour and are held accountable for dangerous animal behaviour. Benefits occur mainly in the short-term. Animal owners also receive significant private benefits, such as recovery of their animals if they stray and protection from dangerous animals. Council incurs significant extra costs due to people who fail to keep their animals under adequate control.

#### Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a combination of a uniform targeted rate (district wide) (public funding) and user charges (private funding).

Council believes it is appropriate for Animal Control costs to be split between ratepayers and animal owners. The community expects an animal control system to exist and to contribute towards the costs of policy, running the system and unidentified ranging costs. Individuals, particularly dog owners, receive private benefit from dog ownership and should therefore pay for legal registration of dogs under the Dog Control Act 1996. In the event the animal control system is required to control or recover an animal, it is fair that the animal owner should pay.

The use of these funding sources is transparent through the Annual Plan and schedule of fees.

Exacerbator costs will be recovered from animal owners.

### Building Control

#### Funding Analysis

Public benefits of Building Control include planned development of the district, protection of the public and a consistency in building standards. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations. Private benefits may include increases in property values over time.

Benefits occur now and in the future, such as protection from poor building practices for future generations.

Non-compliance (e.g. applicant's actions creating a need for extra inspections) can cause additional costs to Council.

## Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees and charges (private funding).

The use of these funding sources is transparent through the Annual Plan and schedule of fees.

Recovery of the costs associated with extra inspections and other costs will be recovered in full where possible.

## Consent and District Planning

### Funding Analysis

District Planning provides both public and private benefits. The Resource Management Act 1991 requires development to conform to particular standards. Public benefits include safe and orderly development of the district, enhancement of public health and safety, consistent district standards for current and future generations, protection for the environment and opportunity for neighbours to comment on development proposals which exceed the norm. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations, monetary gain and increases in property values.

Non-compliance (e.g. applicants prolonging consent processes, extra inspections) can cause additional costs to Council.

Benefits occur now and in the future, such as through protection of the environment for future generations and developments that meet legislative standards.

## Identified Funding Sources and Mechanisms

### Consent Planning

Funding Split >>



Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees (private funding).

The use of these funding sources is transparent through the Annual Plan and schedule of fees.

Recovery of costs such as extra inspections should be recovered in full. Other costs, including fees for additional professional advice, should be fully recovered where possible.

### District Planning

Funding Split >>



Council decided the most appropriate means to fund this activity is through the general rate (based on capital value with differentials) (public funding). The District Plan, monitoring the

state of the environment and ensuring legislative compliance confer significant public benefits and public funding will meet the costs of the development and review of planning policies.

## **Compliance and Monitoring**

### **Funding Analysis**

Public benefits of Environmental Health include enhancing public health and meeting the community's expectation for safe food and alcohol premises. Applicants for consents receive significant private benefits through meeting legislative requirements and community expectations. The consent provides a signal that food and licensed premises are of an acceptable standard to the consumer.

Benefits occur now and in the future.

Non-compliance (e.g. applications not meeting standards) may cause additional costs.

### **Identified Funding Sources and Mechanisms**

Funding Split >>



Council decided the most appropriate means to fund the public portion of this activity is through a combination of a general rate (based on capital value with differentials), a uniform targeted rate (district wide) (public funding) and user fees (private funding).

The use of these funding sources is transparent through the Annual Plan and schedule of fees.

Legislation sets alcohol-licensing fees, which impacts on funding recoveries.

Recovery of the costs associated with extra inspections and exacerbator costs will be in full where possible.

Policy work in the alcohol licensing area such as delivery of education initiatives will be met via public funding. Likewise, Council involvement in checking general legislative compliance confers significant public benefits.

## Governance and Strategy

### Funding Analysis

Governance provides significant benefits to all district residents. Benefits may include organised development, maintenance of key infrastructure, response to local community needs, advocacy on community issues, and development of community pride and ownership.

Benefits occur now and in the future for district residents and ratepayers, particularly developing for future generations.

Councillors or Mayors who do not serve their terms, vexatious submitters and complainants have been identified as sources of exacerbator costs.

### Identified Funding Sources and Mechanisms

Funding Split >>



100% Public

Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding). Of the available systems, use of a uniform targeted rate comes closest to ensuring all pay equally for Governance.

The use of this funding source is transparent through the Annual Plan.

## Roading

### Feilding Central Business District (CBD) Redevelopment

#### Funding Analysis

There are significant public benefits associated with the development of an attractive business centre. Feilding CBD provides the main retail business area in the Manawātū district. A redeveloped CBD contributes to a sense of civic pride, promotes the district, creates a positive atmosphere and is available to everyone. It helps maintain the attractiveness of the area for retail and provides business and employment opportunities.

CBD businesses clearly receive private benefits from upgrades to their street locations and services, drawing more customers and greater business.

Benefits are immediate and long-term, dependent on the life of the infrastructure. There were no examples of actions or inactions identified that cause additional costs to Council.

### Identified Funding Sources and Mechanisms

Funding Split >>



15%

85% Private

Council decided the most appropriate means to fund this activity is through reserves or loans. These would be repaid over twenty years by a uniform targeted rate (district wide) (public funding) and by a targeted rate on the defined CBD area (based on capital value) (private funding).



The use of these funding sources is transparent through the Annual Plan and rising property values.

## **Roading Network**

### **Funding Analysis**

The roading and footpaths network provide significant public benefits to the community, including:

- connections to other transportation networks
- contributions to the social and economic well-being of the district
- access and mobility for people, goods and services
- locality and property identification
- separation of pedestrians from the main flow of traffic (i.e. footpaths)
- 

Road users also receive significant private benefits, through use of roads and footpaths, access to locations, mobility, and identification of properties and maintenance of property values.

Benefits are immediate to road users and the community and long-term for future generations. Additional costs are caused to Council through examples such as use that goes beyond normal wear and tear (e.g. heavy vehicles, rally driving), vandalism, accidents and livestock movements.

### **Identified Funding Sources and Mechanisms**

Funding Split >>



Council decided the most appropriate means to fund the public portion of this activity is through a combination of a targeted rate and a uniform targeted rate (district wide). The private component of the activity would be recovered through the New Zealand Transport Agency (NZTA) subsidy. The use of these funding sources is transparent through the Annual Plan.

Recovery of exacerbator costs (e.g. vandalism) will be in full where possible. The use of loans and reserves are to fund Capital projects as appropriate.

# Solid Waste

## Solid Waste Collection and Disposal

### Funding Analysis

Recycling provides significant public benefits through:

- preserving the environment
- saving landfill space
- meeting community expectations for waste minimisation

Recycling provides some private benefit by way of reducing personal cost of solid waste disposal and private contributions to protection of the environment.

Benefits are immediate to the individual or business and long-term for the community in the future through environmental protection, extended landfill life and Council delivering on the objectives outlined in the Waste Minimisation Plan. Incorrect use of the recycling system can cause additional costs to Council. It is not practical to recover these costs.

Solid waste disposal provides public benefits through:

- maintaining a healthy and safe environment
- preventing health hazards for the public
- enabling appropriate disposal of solid waste in common locations

Private benefits of disposal services include provision of common locations for solid waste disposal by individuals or groups, health and environmental benefits.

Facilities are available to all. The level of user charges can exclude people from using this service. Inappropriate disposal of hazardous wastes (e.g. hot ash, mercury) and 'fly-tipping' cause additional costs to Council. Excessive packaging by manufacturers takes up valuable landfill space.

Solid waste collection provides public benefits through:

- preventing and avoiding health hazards
- keeping the district tidy and attractive
- creating a cleaner environment for current and future generations
- helping to reduce congestion at the landfill

Private benefits of solid waste collection include removal of household solid waste and reducing potential health risks from 'stock-piling' of solid waste and Council delivering on the objectives outlined in the Waste Minimisation Plan. Collection also saves residents time and costs of travelling to landfills and reduces litter on roadsides. As the volume of solid waste increases, costs increase. It is possible to exclude people from the service through the level of bag charges or non-provision of the service.

Benefits are ongoing and instant to users of the service. Inappropriate disposal of hazardous waste causes additional costs to Council.

## Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a uniform targeted rate (district wide) (public funding) and fees (private funding).

The use of these funding sources is transparent through the annual plan, rates assessment and schedule of fees.

Recovery of exacerbator costs will be in full where possible.

## Kerbside Recycling Collection

### Funding Analysis

Kerbside recycling collection provides significant private benefit to Feilding residents and businesses by way of reducing personal cost of solid waste disposal and private contributions to protection of the environment.

Benefits are immediate to the individual or business and long-term for the community in the future through environmental protection and extended landfill life.

The incorrect use of the recycling system can cause additional costs to Council. It is not practical to recover these costs.

## Identified Funding Sources and Mechanisms

Funding Split >>



Council decided the most appropriate means to fund this activity is through a targeted rate (private funding) on those properties serviced by the Feilding kerbside recycling scheme.

The use of these funding sources is transparent through the Annual Plan.

## Stormwater

### Rural Land Drainage

#### Funding Analysis

Rural land drainage provides public benefits through managing risks from flooding, protecting the community (including people, property and community assets), maintaining the economic productivity of rural land and property values and encouraging residential development.

There are significant private benefits from rural land drainage. Each person connected to a service uses a proportion of the available capacity. Rural land drainage provides direct benefits to land owners through increasing the productive capacity of their land. It is difficult to exclude properties from being part of a rural scheme.

Benefits are ongoing.

Deliberate actions to restrict water flow and inadequate maintenance may cause additional costs to Council.

### Identified Funding Sources and Mechanisms

Funding Split >>



Funding Source	Percentage
Private	100%

Council decided the most appropriate means to fund this activity is through targeted rates on areas serviced by individual schemes (private funding).

The use of this funding source is transparent through the Annual Plan. Loan funding over time will meet capital expenditure, such as expansions to the system.

Recovery of exacerbator costs will be in full where possible.

## Urban Stormwater

### Funding Analysis

Urban stormwater provides public benefits through managing risks from flooding, protecting the community (including people, property and community assets), maintaining the economic productivity of rural land and property values and encouraging residential development.

Urban stormwater provides significant private benefits to users with each connection using a proportion of the available capacity.

Benefits are ongoing. Incorrectly sized pipes installed by urban property owners cause additional costs to Council.

### Identified Funding Sources and Mechanisms

Funding Split >>



Funding Source	Percentage
Public	20%
Private	80%

Council decided the most appropriate means to fund this activity is through a combination of the general rate (based on capital value with differentials) (public funding) and targeted rates on areas served by the various schemes (private funding).

The use of these funding sources is transparent through the Annual Plan.

Over time capital expenditure, such as expansions to the system will be met.

Recovery of exacerbator costs will be in full where possible.

# Wastewater

## Funding Analysis

Wastewater services provide public benefits, including:

- a clean and healthy environment for present and future generations
- prevention of disease
- maintenance of public health standards.

A good quality and effective wastewater disposal system is a key service to attract people and businesses to the district and to help sustain economic growth. Scheme users receive significant private benefits from provision of a collective wastewater disposal scheme, including the removal of human waste and protection against disease. Services remain available assuming the system has not reached design limits. Theoretically, individuals can be excluded from the service through requiring payment or disconnection. Many rural and lifestyle properties have onsite wastewater disposal so do not directly benefit from Council's reticulated wastewater network.

Benefits are immediate and ongoing to scheme users, and long-term for future generations. Illegal stormwater connections, modifications to housing, disposal of toxic substances and overloading can cause additional costs to Council. The costs of providing and improving wastewater infrastructure in some areas of the District may be beyond the ability of the community to pay.

## Identified Funding Sources and Mechanisms

Funding Split >>



100% Private

Council decided the most appropriate means to fund this activity is through targeted rates on areas serviced by individual schemes and user fees and charges (e.g. trade waste charges) (private funding).

The uses of these funding sources are transparent through the Annual Plan.

Loans and /or depreciation funding over time will meet capital expenditure, such as the renewal of pipes or expansions to the system.

Recovery of exacerbator costs will be in full where possible.

# Water Supply

## Funding Analysis

Water Supply provides public benefits, such as:

- availability of water for public health and services (e.g. fire-fighting) and recreational facilities (e.g. gardens, swimming pools)
- enhancing community well-being and economic development
- conveyancing system for wastes

It is not possible to reuse a unit of water without incurring extra costs. It is possible to exclude people from a water supply through disconnection and charges. The costs of providing and improving water supply infrastructure in some areas of the District may be beyond the ability of the community to pay.

There are significant private benefits attached to urban and rural water supplies. The benefits listed above also apply to private users. Water is a necessity of life and therefore individuals, businesses and farms receive direct benefits from water used. A good water supply contributes to personal health and well-being. Illegal connections, leaks, excessive use and deliberate or unintentional damage to infrastructure cause additional costs to Council. Over-extraction and the use of water resources may impact on the life-supporting capacity or mauri of ecosystems (e.g. river systems) and the environment generally.

Benefits are immediate and ongoing to scheme users and long-term for the district and future generations.

## Identified Funding Sources and Mechanisms

Funding Split >>



100% Private

Council decided the most appropriate means to fund this activity is through targeted rates on areas serviced by individual schemes and user fees and charges (e.g. water meters) (private funding).

The use of this funding source is transparent through the Annual Plan.

Loans and /or depreciation funding over time will meet capital expenditure, such as the renewal of pipes or expansions to the system.

Recovery of exacerbator costs will be in full where possible.