

2022 Ko te Kaupapa Here Moni Whiwhi me Ahumoni 2022 Revenue and Financing Policy

Introduction

The Revenue and Financing Policy describes how Greater Wellington Regional Council (Council) intends to fund its expenditure. It outlines the sources of funding that Council intends to use, for each activity. This policy reflects amendments to the Policy which was included as part of the 2021/31 Long Term Plan. These amendments were made as part on the consultation process and decision making completed in June 2022.

Considerations for this policy

In developing the Policy, Council has considered the specific matters required by section 101 (3) of the Local Government Act 2002 (LGA). This requires a two stage process which is set out later in the policy.

The funding indications in the Funding for Activities are set out section C this policy.

Section 103 of the LGA requires Council to state its policies in respect of the funding of operating and funding of capital expenditure. This set are below.

Section A

Summary of funding sources to be used for both operational and capital expenditure

Regional Leadership							
Activity	Operational expenditure				Capital expenditure		
	Fees and user charges	Subsidies	Targeted rate	General rate	Borrowings (debt)	Proceeds from asset sales	Reserve funds
Relationships with mana whenua				100 percent	Not required		
Regional transport planning and programmes		About 52 percent from Waka Kotahi		Balance of the funding.	Not required		
Regional Economic Development			100 percent, charged on differential basis by land use, being: - capital value for businesses - a fixed rate on residential and rural ratepayers		Not required		
Emergency management				100 percent	Primary source	When available	When available
Democratic services				100 percent	Not required		

Regional Leadership							
	<i>Operational expenditure</i>				<i>Capital expenditure</i>		
<i>Activity</i>	<i>Fees and user charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>	<i>Borrowings (debt)</i>	<i>Proceeds from asset sales</i>	<i>Reserve funds</i>
Regional initiative - Warm Greater Wellington			100 percent		Not required		
Regional initiative - Water Wairarapa				100 percent	Not required		
Wellington Regional Stadium			A differential targeted rate based on location and capital value		Not required		

Public Transport							
	<i>Operational expenditure</i>				<i>Capital expenditure</i>		
<i>Activity</i>	<i>Fees and user charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>	<i>Borrowings (debt)</i>	<i>Proceeds from asset sales</i>	<i>Reserve funds</i>
	Average 30 percent of total operating revenue from fares and other user charges over the years of the Long Term Plan. To maintain the fares share of funding, fares will be adjusted annually with inflation within 1 percent to 3 percent, subject to Council decisions through annual fares and budget review.	Level of contribution from Crown agencies, primarily Waka Kotahi is determined by Waka Kotahi's Funding Assistance Rates (51 percent to 100 percent depending on activity) and co-investment policy.	Balance, calculated on ECV, with differentials based on land use, location and provision of service, up to the levels set by the rates (increase) affordability benchmark.		Waka Kotahi does not contribute to debt funding, therefore borrowing is the primary source for capital expenditure.	When available	When available

Water supply							
	<i>Operational expenditure</i>				<i>Capital expenditure</i>		
<i>Activity</i>	<i>Fees and user charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>	<i>Borrowings (debt)</i>	<i>Proceeds from asset sales</i>	<i>Reserve funds</i>
	95 percent-100 percent volumetric levy on the participating territorial authorities. User charges may also be applied to other bulk water users.				Primary source	When available	When available

Environment							
	<i>Operational expenditure</i>				<i>Capital expenditure</i>		
<i>Activity</i>	<i>Fees and user charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>	<i>Borrowings (debt)</i>	<i>Proceeds from asset sales</i>	<i>Reserve funds</i>
Resource management - Policy and planning				100 percent	Not required		
Environmental science - State of Environment monitoring	10-20 percent			80-90 percent	Not required		
Resource management – Consents	100 percent, consent applicants				Not required		

Resource management – Compliance and enforcement	100 percent consent holders			Up to 100 percent for investigations where a liable party cannot be identified.	Not required		
Resource management – Pollution prevention and control	100 percent identified polluters				Primary source	When available	When available
Farm plans	70 percent			30 percent	Not required		
Farm environment plans	50 percent			50 percent	Not required		
Wellington Regional Erosion Control Initiative	40 percent	30 percent Crown		30 percent	Primary source	When available	When available
Land management advice				100 percent	Not required		
Land management - erosion schemes	50 percent - 100 percent to be met from targeted or scheme rates or a direct contribution from both the direct beneficiaries, and the beneficiaries in the economic catchment area.			Up to 50 percent	Primary source	When available	When available
Soil conservation reserves	100 percent				Primary source	When available	When available
Akura conservation centre	100 percent				Primary source	When available	When available
Biodiversity management – Key Native Ecosystems programme				100 percent	Not required		
Biosecurity services for territorial authorities	100 percent				Not required		
Biodiversity management – other activities				100 percent	Not required		
Regional pest management plan	Up to 10 percent	Up to 10 percent		80-100 percent	Not required		

Regional predator control programme				100 percent	Not required		
Navigational aids and communications service	60 percent commercial shipping, (collected by CentrePort)			40 percent	Primary source	When available	When available
Education; Enforce maritime safety regulations				100 percent	Not required		
Pollution clean-up – oil		95 percent Maritime NZ		5 percent	Primary source	When available	When available
Pollution clean-up – other	100 percent charge to polluters, where they can be identified and charged.			Up to 100 percent	Primary source	When available	When available

Flood protection							
	<i>Operational expenditure</i>				<i>Capital expenditure</i>		
<i>Activity</i>	<i>Fees and user charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>	<i>Borrowings (debt)</i>	<i>Proceeds from asset sales</i>	<i>Reserve funds</i>
Understanding flood risk				100 percent	Not required		
Maintaining flood protection and control works			The balance of costs (i.e., 50 – 100 percent) met via targeted rates on the local authority area or via scheme rates or	Up to 50 percent	Primary source	When available	When available
Improving flood security					Primary source	When available	When available

			direct contribution from both the direct beneficiaries on the floodplain and the beneficiaries in the economic catchment area.				
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Parks							
	<i>Operational expenditure</i>				<i>Capital expenditure</i>		
<i>Activity</i>	<i>Fees and user charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>	<i>Borrowings (debt)</i>	<i>Proceeds from asset sales</i>	<i>Reserve funds</i>
	10 percent for organised events, farming and other leases, license fees, other added value services.			90 percent	Primary source	When available	When available

Section B

Two stage approach

In developing this policy, Council used a two-stage approach. The first stage is to consider for each activity, Council considered the five matters in s101(3)(a) of the LGA 2002. These are summarised as-

1. Primary community outcomes

Each group of activities contributes primarily to achieving one of these community outcomes:

Resilient Future

Thriving Environment

Connected Communities

2. Distribution of benefits

The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.

3. Timeframe of benefits

Most activities provide ongoing benefits. Where an activity provides benefits that will last for future generations we have noted this too.

4. Contributors to need for activity

These contributors are any individuals or groups who, through their action, or inaction, contribute to the need to undertake the activity. For example, polluters create a need for Council to clean up the mess or make rules about how it is to be reduced or cleaned up.

5. Costs and benefits of funding activity distinctly

There are costs and benefits, including consequences for transparency and accountability, of funding an activity separately, whether by user charges or targeted rates or a combination of these.

Stage two

Council then considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community. That process led Council to decide on the funding policy indications shown for each activity. This step is required by section 101(3)(b) of the LGA.

Council has chosen to use Capital Value (CV) as its valuation system for general rates because it reflects the total value of a property, compared with land value.

Council applies a differential to the general rate within Wellington City only. The purpose of this differential is to address the impact of the allocation of rates within Wellington City in accordance with s101(3)(b) of the LGA. This differential is designed to ensure that different property rating types pay an equitable share of the increased cost of providing services into the business community.

1	Residential	1
2	Wellington CBD business	1.7
3	Business	1.3
4	Rural	1

This principle is also applied to the Public Transport rate, after considering the impact of level of service, location, and the types of properties (refer to page 'overall rationale for funding' on page 17)

Council has chosen to use capital value as the valuation system for the following targeted rates:

- The Regional Economic Development rate
- Some drainage schemes rates
- Land management rates
- River rates
- Some river management scheme rates

Uniform Annual General Charge (UAGC)

Council does not use a Uniform Annual General Charge.

A UAGC is part of the General rate and is set using a fixed amount or charge per property, irrespective of value or location. Being a fixed amount, it has the effect of increasing the rates for all properties below the average capital value, and reducing those above the average. The further a property value is from the average, the greater impact.

Council has decided not to use a UAGC because it is of the view the General rates recover the costs when the whole region benefits, and therefore these costs should be recovered by using taxation principles, and using solely capital values is the most appropriate method.

Transition provisions for Public Transport

In 2018, Council introduced a new approach to differential rate funding for Public Transport to have a transition period over six years (commencing 2018). These changes will have variable impacts on different categories of ratepayers and would potentially cause large one-off increases.

Over the next six years, there will also be changes in the relative values of properties depending partly on their location (within each territorial authority) and their land use (residential, business, rural, Wellington CBD). Council cannot predict these changes, but they will affect the funding that is required from each location, or from each rating category.

Council will use differentials to transition the Public Transport rate to the new funding policy over the next six years, using the funding requirements from 2017/18 as the baseline.

Equalised capital value (ECV)

Within the region, different territorial authorities undertake general revaluations at different times. To equalise the values, each year Council gets Quotable Value or another registered valuer to estimate the projected valuations of all the rateable land in the districts within the region. This estimation is enabled under s131 of the Local Government Rating Act.

This means that rates are assessed on a consistent valuation basis, regardless of the timing of individual Territorial Authority revaluations.

Other tools not used

The Council does not propose to use, lump sum contributions, development and financial contributions, and regional fuel taxes.

Section C

REGIONAL LEADERSHIP

Relationships with mana whenua

Council builds and maintain constructive partnership relationships with iwi and Māori of the region to support Māori participation in decision making to deliver Council's outcomes.

Community outcome	Connected Communities
Purpose / rationale for activity	This activity enables Council to build and maintain constructive partnership relationships with iwi and Māori of the region.
Who benefits? How are the benefits distributed?	Councils are obligated to ensure that we work in a partnership approach with mana whenua that enables iwi Māori and kaitiaki to fulfil their obligations as natural managers of the world, through their kaitiaki roles and responsible. Regional communities benefit from the quality of decision making that is enabled when mana whenua participate in decisions that affect them.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in its annual report.
Overall rationale for funding	<i>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.</i>

Regional transport planning and programmes

Council plans for the long-term development of the region's land transport network.

<i>Community outcome</i>	Connected Communities
<i>Purpose / rationale for activity</i>	A plan for development of the region's land transport network is essential for integration with territorial authority plans, and to enable the efficient transport of people and goods.
<i>Who benefits? How are the benefits distributed?</i>	The community as a whole benefits from transport infrastructure planning services.
<i>Timeframe of benefits</i>	Ongoing
<i>Does anyone cause Council to provide this service?</i>	No.
<i>Rationale for separate funding</i>	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in annual report.
<i>Overall rationale for funding</i>	<i>As all of the regional benefits from this activity, then providing for any subsidies the General rate is considered the most appropriate funding source.</i>

Regional Economic Development

Council supports growth and economic development in the region.

<i>Community outcome</i>	Resilient Future
<i>Purpose / rationale for activity</i>	Council promotes economic growth and hosts this activity on behalf of the region.
<i>Who benefits? How are the benefits distributed?</i>	Business communities are the primary beneficiaries of economic growth and increased wealth within the region. The community as a whole benefit to a lesser extent.
<i>Timeframe of benefits</i>	Ongoing.

<i>Does anyone cause Council to provide this service?</i>	No
<i>Rationale for separate funding</i>	Separate funding enables Council to apply revenue requirements that are consistent with the levels of benefit that different ratepayer categories receive. Separate funding also supports accountability and transparency to the ratepayers who fund the activity
<i>Overall rationale for funding</i>	<i>Businesses greatly benefit from the united approach to attracting visitors and commercial opportunities that actively spend money and enhancing their business, Residents benefit from the enhanced lifestyles with modern amenities, things to see and do, accessibility and a greater sense of security which is vital for health and wellbeing. Therefore, the capital value rating from on business with a fixed rate on all other properties is most appropriate funding source</i>

Emergency management

Council contributes to emergency preparedness and management services within the region.

<i>Community outcome</i>	Resilient Future
<i>Purpose / rationale for activity</i>	Wellington region has a wide range of natural hazards (earthquake, flooding, landslide, tsunami, storm) and hazard risks (biological, chemical, terrorism, other), and the region wants to be prepared to provide emergency services
<i>Who benefits? How are the benefits distributed?</i>	The community as a whole benefit from these services
<i>Timeframe of benefits</i>	Ongoing
<i>Does anyone cause Council to provide this service?</i>	No
<i>Rationale for separate funding</i>	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in the annual report.
<i>Overall rationale for funding</i>	<i>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.</i>

Democratic services

Council conducts democratic elections that are free from interference. Council supports elected members to engage with their communities and to make informed decisions.

<i>Community outcome</i>	Connected Communities
<i>Purpose / rationale for activity</i>	Democracy services enable citizens and communities to engage with decision makers for the benefit of the region. These services also support Councillors in the performance of their roles
<i>Who benefits? How are the benefits distributed?</i>	The community as a whole benefits from these services.
<i>Timeframe of benefits</i>	Ongoing
<i>Does anyone cause Council to provide this service?</i>	No
<i>Rationale for separate funding</i>	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its annual report
<i>Overall rationale for funding</i>	<i>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.</i>

Regional initiative - Warm Greater Wellington

Council provides funding for home insulation. The communities in Wainuiomata and Masterton are also offered funding for clean heating because the air sheds in those areas have breached the national standards for air quality.

<i>Community outcome</i>	Resilient Future
<i>Purpose / rationale for activity</i>	Good quality insulation helps keep the heat in during winter and out during summer. This makes houses easier and cheaper to heat properly, and more comfortable and healthy to live in.
<i>Who benefits? How are the benefits distributed?</i>	The major beneficiaries are those ratepayers who take up the funding. Wainuiomata and Masterton will also benefit when their airsheds no longer breach quality standards, because Council will then be able to approve consents for industrial discharges to air.

<i>Timeframe of benefits</i>	Ongoing
<i>Does anyone cause Council to provide this service?</i>	No
<i>Rationale for separate funding</i>	Separate funding enables Council to target those who benefit from the activity.
<i>Overall rationale for funding</i>	<i>As the major beneficiaries are those ratepayers who take up the funding and specific areas, then target rates are considered the most appropriate funding source</i>

Regional initiative - Water Wairarapa

Council is exploring water storage options for agriculture, horticulture, and municipal uses in the Wairarapa.

<i>Community outcome</i>	Resilient Future
<i>Purpose / rationale for activity</i>	Water storage options may increase the productive efficiency of agriculture and horticulture in the Wairarapa. It may also provide additional water for municipal and other community uses in the area.
<i>Who benefits? How are the benefits distributed?</i>	The primary beneficiaries are Wairarapa organisations and households that will use the water, or who can rely on the water as an alternative water source during an emergency. People in the Wairarapa may also benefit from increased resilience of source water for the drinking water supplies.
<i>Timeframe of benefits</i>	Ongoing
<i>Does anyone cause Council to provide this service?</i>	No.
<i>Rationale for separate funding</i>	Separate funding would enhance transparency and accountability for this activity.
<i>Overall rationale for funding</i>	<i>As Council is exploring water storage options for agriculture, horticulture, and municipal uses, there are currently no direct identified beneficiaries, then the General rate is considered the most appropriate funding source.</i>

Wellington Regional Stadium

Community outcome	Connected Communities
Purpose / rationale for activity	To provide a mechanism that can be used in future if the council needs to rate for the stadium again. Any need for funding the funding will expressed in the Annual Plan.
Who benefits? How are the benefits distributed?	The benefits of the stadium extend across the region because of its ability to host a diverse range of events and attract a diverse range of visitors who may use their time to explore the region. However, the benefits of the stadium are greater for those within a closer proximity. Wellington residents and businesses receive the most benefits as they have the easiest access to the stadium and the vast numbers of visitors to the stadium use the surrounding area for accommodation, food and entertainment.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	Other than the benefit associated with targeted rates, no additional benefit was identified.
Overall rationale for funding	<p><i>These events are for everyone in the region to enjoy their favourite sports, music, cultural events, fairs and so much more. The positive flows from diverse events improve mental health and wellbeing for people in the region. The stadium improves the hospitality industry closest to the infrastructure, providing services to the vast number of visitors to the events. It also creates more opportunities for sponsorship, advertising and mobile businesses. For residents up the Kāpiti Coast or in the Wairarapa, access to the stadium is limited as the distance to travel is considerable, making their benefit less than the other TA areas. Therefore, a differential targeted rate based on capital value:</i></p> <p><i>Wellington CBD - 2</i> <i>All other Wellington properties - 1.2</i> <i>Porirua City, Hutt City, Upper Hutt City - 1</i> <i>Kāpiti Coast District, Wairarapa territorial authority areas - 0.5</i></p>

PUBLIC TRANSPORT

Community outcome	Connected Communities
Purpose / rationale for activity	Public transport makes a significant contribution to the region's economic prosperity in a way that is environmentally and socially sustainable.
Who benefits? How are the benefits distributed?	The region as a whole benefits from reduced emissions, fewer vehicles on the road, safer roads, abilities for tourism and economic dispersal, and more liveable environments. Public transport benefits the people who use it directly, enabling them to get to work, school, retail, and social activities.
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	Public transport is the single largest activity that Council funds. A mixture of user charges (fares) and targeted rates provide transparency to service users, residents, ratepayers, and funders about the costs and relative shares paid by different groups.
Overall rationale for funding	<p><i>Council applies user charges (fares) for Individuals/users benefits gained by people who use public transport or receive those a direct benefit.</i></p> <p><i>After receiving subsidy, the Council has concluded that the targeted differential ECV rates, taking into account the location and level of service for public transport, is the most appropriate funding source.</i></p> <p><i>The target differential categories are based on the following:</i></p> <ul style="list-style-type: none"> • <i>Residential and location and level of service</i> • <i>Business and location</i> • <i>Rural</i>

Note: Council will take six years (commencing 2018) to transition the rates onto the new policy. Until the transition is complete, Council will calculate an annual transition differential so that rates progressively shift to their new levels for each category of land use, and for each location.

WATER SUPPLY

Council provides bulk water to four participating territorial authorities (the cities of Wellington, Hutt, Upper Hutt, and Porirua).

Community outcome	Resilient Future
Purpose / rationale for activity	<p>Clean, safe drinking water is essential for life. It is also used for-</p> <ul style="list-style-type: none"> • residential purposes (gardens, swimming pools) • community purposes (parks, swimming pools, schools, hospitals, turf, and other recreation services). • industrial purposes (hygiene, other uses).
Who benefits? How are the benefits distributed?	<p>The participating territorial authorities benefit from-</p> <ul style="list-style-type: none"> • being able to provide potable water for their residents • the efficiency of a coordinated water collection, treatment, and distribution system.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Funding water supply services distinctly from other services has benefits for transparency and accountability. Because water is supplied in bulk to territorial authorities, a volumetric levy is a fairer and more efficient funding tool.
Overall rationale for funding	<i>Volumetric levy (95 percent - 100 percent) on the participating territorial authorities and other user charges may also be applied to other bulk water users is considered the most appropriate funding source.</i>

ENVIRONMENT

Resource management - Policy and planning

Environmental science - State of Environment monitoring

<i>Community outcome</i>	Thriving Environment
<i>Purpose / rationale for activity</i>	Council regulates the use and development of the environment via the Regional Plan and other planning documents, to ensure that natural and physical resources are managed sustainably.
<i>Who benefits? How are the benefits distributed?</i>	The community as a whole benefits from the policy, planning and monitoring services. Territorial authorities and individuals, benefit from Council's State of the Environment monitoring information.
<i>Does anyone contribute to Council's need to provide this activity?</i>	Everyone uses the region's natural resources to some extent.
<i>Rationale for separate funding</i>	Because the community as a whole is the main beneficiary, there is no particular benefit from distinct funding.
<i>Overall rationale for funding</i>	<i>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source after an allowance for any fees.</i>

Resource management – Consents

Resource management – Compliance and enforcement

Pollution prevention and control

<i>Community outcome</i>	Thriving Environment
<i>Purpose / rationale for activity</i>	Council implements the Regional Plan, with consent, compliance, and pollution services.

Who benefits? How are the benefits distributed?	Consent applicants benefit from information services. Consent holders benefit from the right to use regional resources, and from monitoring services, because consents may be granted with greater confidence / certainty about the potential impacts.
Does anyone contribute to Council's need to provide this activity?	Polluters create the need for pollution controls People who want to use the region's resources create the need for an allocation system.
Rationale for separate funding	These services are best funded jointly with other Resource management activities.
Overall rationale for funding	<i>Council considers that those who benefit or contribute to the need for the activity should contribute to the recovery of those costs. When recovery is not possible, then the General rate is considered the most appropriate funding source after an allowance for any fees.</i>

Land management

Farm plans, and Farm environment plans, to reduce erosion in the eastern Wairarapa hills, and to support intensively farmed (dairy) areas in Wairarapa and Ōtaki.

Wellington Regional Erosion Control Initiative

Land management advisory services, mainly in the Wairarapa

Erosion scheme services and coordination services to rural properties in the Wairarapa.

Community outcome	Thriving Environment
Purpose / rationale for activity	Council seeks to mitigate the environmental impacts of farming, because land management practices can affect soil erosion, soil health water quality, and the health of streams, rivers, and the coast.
Who benefits? How are the benefits distributed?	<p>Farmers benefit from-</p> <ul style="list-style-type: none"> • stabilised soils and reduced erosion. • water and drainage schemes that enable greater productive use of the land. • reputation benefits from clean operations. <p>Rural communities benefit from local catchment schemes that protect local infrastructure (roads, utilities). The community as a whole benefits when farmers reduce their nutrient and sediment discharges.</p>

<i>Does anyone cause Council to provide this service?</i>	Farmers who allow stock to graze in or adjacent to waterways. Farmers who allow nutrients to leach into waterways.
<i>Rationale for separate funding</i>	Because the activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.
<i>Overall rationale for funding</i>	<i>Council considers that those who benefit from the activity should contribute to the recovery of those costs (40 – 70 percent) using fees and charges and targeted rates using a combination of service provision, land value and fixed value for erosion scheme services and coordination services to rural properties in the Wairarapa. The balance after any subsidies the General rate is considered the most appropriate funding source after an allowance for any fees.</i>

Soil and plant conservation

<i>Community outcome</i>	Thriving Environment
<i>Purpose / rationale for activity</i>	Council seeks to mitigate the environmental impacts of farming, because land management practices create erosion, and affect the health and quality of streams, rivers, and the coast.
<i>Who benefits?</i>	The community as a whole benefits from stabilised soils in its reserves. The benefits from the Akura Conservation Centre are mostly the private landowners who plant poplars and willows for erosion and flood control.
<i>Timeframe of benefits</i>	Ongoing
<i>How are the benefits distributed?</i>	90percent private landowners 10percent community as a whole.
<i>Does anyone cause Council to provide this service?</i>	Farmers who do not plant tree cover on erosion prone soils.
<i>Rationale for separate funding</i>	Because the activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.

<i>Overall rationale for funding</i>	<i>As the private landowners benefit from this activity, then the user fees and charge are considered the most appropriate funding source.</i>
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Biodiversity management

<i>Community outcome</i>	Thriving Environment
<i>Purpose / rationale for activity</i>	Biodiversity contributes to the region's natural character and supports the healthy functioning of ecosystems which in turn provide essential, life supporting services, including purifying air and water.
<i>Who benefits? How are the benefits distributed?</i>	The community as a whole share the benefits of a healthy environment.
<i>Timeframe of benefits</i>	Ongoing
<i>Does anyone cause Council to provide this service?</i>	Farmers who have not yet fenced waterways so that stock can get into them contribute to the need for this activity.
<i>Rationale for separate funding</i>	This activity is one relatively small, part of the larger Group of Activities and separate funding would not be cost effective.
<i>Overall rationale for funding</i>	<i>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.</i>

Pest management

<i>Community outcome</i>	Thriving Environment
<i>Purpose / rationale for activity</i>	Pest management supports economic activity and improves environmental outcomes.

Who benefits? How are the benefits distributed?	<p>Primary producers benefit from</p> <ul style="list-style-type: none"> • reduced loss of pasture • reduced loss of crops • reduced damage to trees and shrubs • sustained and increased primary production. <p>Cattle and deer farmers in operational areas benefit from reduced risk of disease to farmed animals.</p> <p>The regional community benefits from reduced spread of unwanted pest damage to high value ecosystems, and reduced pest impact on safety, amenity, and social values.</p>
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	Pest management, including possum control activities are undertaken in line with Biosecurity Act 1993, and the National Policy Direction for Pest Management.
Rationale for separate funding	Because Council provides two pest management programmes, with different funding policies, separate funding is useful to demonstrate the benefits of each activity.
Overall rationale for funding	<i>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.</i>

Harbour management

Community outcome	Resilient Future
Purpose / rationale for activity	Council provides this service to support safe commercial shipping and recreational activities in the regional harbours.
Who benefits?	<p>Maritime traffic in the harbours benefit from Beacon Hill Communications station, navigational aids, and the enforcement of maritime safety regulations.</p> <p>Recreational boat users benefit from navigational aids, education programmes, and the enforcement of maritime safety regulations.</p> <p>Other harbour users receive a small benefit from the enforcement of maritime safety regulations.</p>
Timeframe of benefits	Ongoing.

<i>How are the benefits distributed?</i>	Commercial shipping is the major economic beneficiary of this service. People using recreational boats and yachts also benefit substantially. The rest of the region gets some residual benefit.
<i>Does anyone cause Council to provide this service?</i>	Maritime traffic (commercial and recreational) is the major activity that creates the need for Council to provide navigational aids and safety services. Polluters create the need for monitoring, regulations and clean up services.
<i>Rationale for separate funding</i>	Separate funding via targeted rates is not sensible for this activity, because Council cannot identify and targeted land owners who would be the major beneficiaries of services for activities on and about water.
<i>Overall rationale for funding</i>	<i>Council considers that those who benefit from the activity or contribute the need for the activity should contribute to the recovery of those costs (60 to 100 percent) using fees and charges</i> <i>The balance after any subsidies the General rate is considered the most appropriate funding source after an allowance for any fees.</i>

FLOOD PROTECTION

Understanding flood risk

Maintaining flood protection and control works

Improving flood security

Community outcome	Resilient Future
Purpose / rationale for activity	Council provides flood protection services to protect the lives and property of people within the region.
Who benefits?	<p>Property owners (private, Crown, territorial authorities, others) and residents in flood hazard zones are the major beneficiaries of these activities. They benefit from-</p> <ul style="list-style-type: none">• information about flood hazards• flood warnings• flood protection structures that directly protect lives and property, and downstream areas. <p>Local communities and catchments benefit from-</p> <ul style="list-style-type: none">• Information about flood hazards to support land use planning• having their local infrastructure protected (schools, hospitals, roads and emergency lifelines, parks, and reserves). <p>Utilities benefit from-</p> <ul style="list-style-type: none">• information about flood hazards• flood warnings• flood protection structures that directly protects their infrastructure (electricity transmission, telecoms, etc). <p>The region as a whole benefits from-</p> <ul style="list-style-type: none">• advice about flood emergencies• any environmental protection that flood protection provides• protected arterial transport routes.

<i>How are the benefits distributed?</i>	<p>Property owners (including utility companies), and residents and flood hazard zones are the major beneficiaries of all these activities.</p> <p>Local communities, (including property owners in flood hazard zones) are also substantial beneficiaries of flood protection and control works in their communities.</p> <p>The community as a whole receives a relatively small share of the benefits.</p>
<i>Timeframe of benefits</i>	Ongoing.
<i>Does anyone cause Council to provide this service?</i>	No.
<i>Rationale for separate funding</i>	Because of the substantial private benefits from these activities, and Council's considerable commitment to this group of activities, separate funding provides transparency and accountability benefits.
<i>Overall rationale for funding</i>	<i>The balance of costs (50 to 100 percent) met via targeted rates on the local authority area, scheme rates or catchment rates</i>

PARKS

Council manages a network of regional parks and forests for the community's use and enjoyment. Council works with mana whenua and community groups to protect the environment within regional parks

Community outcome	Connected Communities
Purpose / rationale for activity	Council provide parks for community recreation and enjoyment, and to protect regionally significant landscapes, bush, and heritage features.
Who benefits? How are the benefits distributed?	<p>Individuals and groups who use the camping facilities within regional parks. Organisations that use parks for commercial purposes. This includes, for example-</p> <ul style="list-style-type: none"> • stock grazing • film making • outdoor activities • education activities <p>The region and the whole country benefit from being able to enjoy regionally significant landscapes, bush, and heritage features. The whole country benefits from the preservation of nationally significant landscapes, forests, and heritage features.</p>
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its annual report.
Overall rationale for funding	<i>While there are benefits to individuals, groups and commercial organisations that use parks, they contribute by way a fees & charges, and all of the regional benefits from this activity, therefore the General rate is considered the most appropriate funding source for the remainder of funding required.</i>