

# P O L I C Y N

Council's Revenue and Financing Policy describes the funding rationale for each activity Council carries out.

The policy also includes funding tables for each activity to show how the activity is funded.

## Revenue & Financing

### 1. Funding Policy - Operating Expenditure

The Council has adopted a funding policy for each activity. In adopting the Funding Policies for Operating Expenditure and identifying the sources of funding the Council has taken into account Section 101 (3) of the LGA 2002:

(a) in relation to each activity to be funded, -

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

(b) the overall impact of any allocating of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

Council will seek to fully fund its operating expenditure in each year. There may be occasions when this is not practical and operating expenditure may be funded by prior years surpluses or anticipated future years surpluses.

### 2. Funding Policy - Capital Expenditure

In adopting the Funding Policy for Capital Expenditure the Council has taken into account the requirements for adopting the funding policies for operating expenditure, the sources of funding listed in Section 103 (2) and 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.

In every respect the funding policy for capital expenditure will be the same as the funding policy for operating expenditure.

That is to say, the extent to which the provision of a service by the Council is a public or private good will largely determine the extent to which rates or fees and charges fund capital expenditure. For example, if the revenue funding policy for Libraries is 95%, public good: 5% private benefit, we would expect to fund the capital expenditure on book purchases in the same way i.e. 95% by general rates and 5% by fees and charges.

## Leadership

### Activities

- **Democracy**
- **Iwi Liaison**
- **Policy Development**



Council exercises the democratic process of local government by having:

- A Mayor and Councillors elected every three years to represent the electors on the Hauraki District Council;
- Standing Committees that deal with matters of a specific nature and comprise members of the Council. The present Standing Committees are Planning and Finance, Works, Consultative Committee Water and Waste and Hearings.
- Ward Committees (Paeroa, Plains and Waihi), to deal with local issues.
- Sub-committees established for special purposes such as land drainage and reserves management.
- The activity of policy development is beneficial to the district as a whole.

### Benefits

Public benefits include:

- Statutory obligation to represent the interests of the people by way of a democratically elected Council.
- Access to elected members is no more available to any one individual than another.
- Equal representation across the whole District.

A degree of private benefit is gained from resource applications (Hearings).

Council determined that as the benefit is equally available to all properties, district funding should apply and this funding should be by way of the Uniform Annual General Charge (UAGC). Use of this mechanism ensures each property pays an equal charge.

Iwi Liaison and Policy Development also benefit each property equally.

Benefits are considered to accrue equally over current and future time periods.

There is little opportunity to identify particular individuals or groups to charge user recoveries.

Use of general rates is considered the most equitable mechanism for funding of Leadership costs.

### FundingTable – Leadership

Activity	Beneficiaries	Current Funding	Future Funding
District Council	100% Public	100% UAGC District	100% UAGC District
Iwi Liaison	100% Public	100% UAGC District	100% UAGC District
Policy Development	100% Public	100% UAGC District	100% UAGC District

## Network Services

### Activities

- **Roading**
- **Water**
- **Wastewater**
- **Land Drainage**
- **Stormwater**
- **Solid Waste**



### Roading

Roading is a statutory function of the Council. The Hauraki District Council owns and manages the roading asset. In addition to the roads, the roading programme includes the maintenance of bridges, footpaths, kerb and channel, culverts and road signs. Street cleaning and township improvements are also included within the Roding activity.

Transfund New Zealand, the national road funding authority, provides subsidy for work that meets certain criteria. Subsidised works include road maintenance, reseals and shape correction, undertaken in compliance with Transit New Zealand standards. Other works, such as footpaths, are not subsidised.

Public benefits include:

- Public have access to the whole roading network,
- The community benefits from having the option of using the roads, should they wish, even if they do not actually use them,
- By facilitating the movement of people and goods, roads are a vital part of the infrastructure that enables a community to function.

*Private benefits include:*

- Direct improvements that serve a particular group of properties,
- Businesses in close proximity to walkways/footpaths and general town improvements benefit from better access to their businesses and from the more pleasant surroundings.

Roding activities are “primarily public good” in nature.

Roding benefits are generally considered to be equally available over the forthcoming years.

Council recognises that the general public has access to all of the roading activities. The services provided are generally non-excludable by nature. Councils’ ability to charge for the private use portion of road usage is limited by legislation. There is a direct relationship between capital development and road use and this should be reflected in the funding. Footpaths and Street Cleaning are in general provided for the residents within a specific ward, as such funding for the public components of these two activities should be via Ward Community Facilities rates. Private benefit is gained by the businesses/properties in the areas which Street Cleaning is undertaken, therefore a component of the funding for Street Cleaning will be targeted at this area.

External subsidies and contributions are available and Council seeks to maximise the level of subsidy available from external agencies and minimise rate funding.

### Summary Table - Roding

Activity	Beneficiaries	Current Funding	Future Funding
Footpaths	80% Public 20% Private	100% UAC Ward Community Facilities	100% UAC Ward Community Facilities
Non-Subsidised Roding	80% Public 20% Private	100% CV District	100% CV District
Subsidised Roding	80% Public 20% Private	38% CV District 62% External Subsidies	45% CV District 55% External Subsidy
Street Cleaning	50% Public 50% Private	80% UAC Ward 10% UAGC District 10% External Subsidy	80% UAC Ward 10% Targeted 10% External Subsidy

### Water Supply

The Hauraki District Council owns and operates eight water supply systems that service the urban communities of Paeroa, Karangahake, Mackaytown, Waihi, Waikino, Ngatea, Kerepehi and Turua, and the rural communities of Plains, Ohinemuri and Kaimanawa.

The supplies have varying degrees of treatment and water quality.

Public benefits include:

- Public health through improved water quality and supply.
- Fire fighting capabilities.

Private benefits include:

- Benefits accrue to the individual users.

Water Supply activities are “primarily private good” in nature.

Water Supply benefits the Communities (both private and public benefit) within the water supply areas. Benefits are considered to apply equally over the forthcoming years.

Funding from a targeted water by meter rates is considered the most practical and efficient means of funding.

#### Funding Table - Water Supply

Activity	Beneficiaries	Current Funding	Future Funding
Water Supply	10% Public 90% Private	100% Targeted Rate)	100% Targeted Rate

### Wastewater

The Hauraki District Council provides and operates reticulated wastewater systems for seven urban areas. Turua, Ngatea, Kerepehi, Paeroa, Waihi, Waitakaruru and Whiritoa.

Public benefits include:

- Improved public health and environmental quality.

Private benefits include:

- Benefits accrue to individual users.
- Benefits are equally available to all properties within the reticulated areas.

Wastewater activities are “primarily private good” in nature.

Wastewater benefits the communities which have reticulated systems.

Wastewater will be funded by a targeted rate in wastewater scheme areas.

#### Funding Table - Wastewater

Activity	Beneficiaries	Current Funding	Future Funding
Wastewater	10% Public 90% Private	100% targeted rate (pan charge) (sewerage areas)	100% targeted rate (pan charge) (sewerage areas)

### Drainage

Council ensures designated areas are provided with effective land drainage and urban stormwater systems and does this by:

- Having five land drainage districts being: Western Plains; Eastern Plains; Komata; Opukeko and Tirohia - Rotokohu. The first two are mainly in the Plains Ward, while the latter three are located within the Paeroa Ward;
- Managing these drainage systems through the maintenance and operation of drains, control structures, floodgates, flood pumps, culverts and stop banks;
- Maintaining storm water systems in urban areas including Paeroa, Waihi, Ngatea, Turua, Kerepehi and Whiritoa.

Public benefits include:

- Drainage is important in the development of all land including roading, and community/public facilities such as parks.
- Public facilities (e.g. roads, parks) benefit from stormwater drainage.

Private benefits include:

- Individual properties benefit from the systems to minimise the effects of flooding.

Drainage activities are “primarily private good” by nature.

Benefits are considered to apply equally over the forthcoming years.

Drainage benefits the properties within the area which the drainage scheme applies. Drainage will be funded mostly to the targeted scheme areas. The funding should be based on capital value as the value reflects improvements which have a direct relationship to benefit. Some provision from general rates

should also apply to address the drainage requirements for public facilities such as roads, parks, etc.

### Funding Table – Drainage & Stormwater

Activity	Beneficiaries	Current Funding	Future Funding
Land Drainage	15% Public 85% Private	60% LV Scheme Area 25% Area Scheme Area 15% UAGC District	15% CV District 85% Scheme Based
Urban Stormwater	15% Public 85% Private	15% UAGC District 35% UAC Ward 50% Scheme Based	15% CV District 35% UAC Ward 50% Scheme Based

### Solid Waste Management

The Solid Waste Management activity incorporates refuse collection, solid waste disposal, and waste minimisation/recycling. Refuse collections are carried out by contract in the urban communities of Ngatea, Paeroa, Karangahake, Waikino, Waihi and Whiritoa on a weekly basis.

Solid Waste disposal is provided at the Paeroa and Waihi Refuse Transfer Stations.

Public benefits include:

- The community benefits from the service reducing the likelihood of littering spoiling the attractiveness of the area.
- Providing this service protects public health, and assists in fostering a clean and tidy environment.

Private benefits include:

- Where collection exists, the benefit is equally available to all properties.

Solid Waste Management activities are “primarily private good” in nature.

Where refuse collections exist, the benefit is equally available to all properties. Amounts able to be collected per week are capped and this supports the use of a targeted rate set at the same level for all properties that are situated within the refuse collection zones.

Fees and Charges will apply to the private share of refuse disposal. User charges are an efficient mechanism for the recovery of costs associated with

refuse disposal and this requires the exacerbator to pay for the amount disposed of.

In general more solid waste is generated by properties that are developed than those that are undeveloped. The public share of refuse disposal is funded by the capital value district rate.

### Funding Table – Solid Waste

Activity	Beneficiaries	Current Funding	Future Funding
Refuse Collection	10% Public 90% Private	100% Targeted Rate (where collection exists)	100% Targeted Rate (where collection exists)
Refuse Disposal	20% Public 80% Private	70% CV District 30% Fees & Charges	30% CV District 70% Fees & Charges

## Community Services

### Activities

- **Parks & Reserves**
- **Libraries**
- **Community Facilities**



The Hauraki District Council provides a wide range of Community Facilities that are available for public use within the Hauraki District.

### Parks and Reserves

The Council provides and maintains over fifty parks and reserves throughout the District.

The parks and reserves are classified as either active or passive. Active reserves provide for active recreation and the sporting needs of the community, while passive reserves provide for passive types of recreation such as walking, picnic facilities and playgrounds.

The classification of community owned/administered parks and reserves shall be consistent with the zoning in the Hauraki District Plan 1999.

### Passive Reserves

Public benefits include:

- Visual and aesthetic benefit,
- Opportunities for casual activity,
- Scenic, natural, cultural preservation,

Principal benefit of maintaining these reserves is visual (includes State Highways),

Benefit is not exclusive to any one individual group,

There are few private benefits.

### Active Reserves

Public benefits include:

- Visual and aesthetic benefit,
- Opportunity for active recreation and organised sport,
- Opportunities for whole community to view or engage in active pursuits.

Some events held on active reserves are of district significance and result in use by residents of the whole District.

Private benefits include:

- The major reason for costs of maintaining these reserves is for the use of groups such as rugby, athletics and netball clubs, these groups are also the main users of the active reserves.
- At some stages groups have exclusive use of the reserve or park.

While the Council decided that the reserves provide mixed benefits, charging for use could result in user resistance. Council provides these facilities in support of its policy of encouraging an enhanced quality of life.

Council decided to place the cost of funding parks and reserves on a ward and district basis, as the benefit is equally available to all properties within the District.

In determining a practical and efficient source of funding parks and reserves, Council has considered the public/private benefit split and funding tools and determined that future funding of parks and reserves shall be as set out in the summary table below.

Benefits are considered to accrue equally over current and future time periods.

There is little opportunity to identify particular individuals or groups to charge user recoveries and increasing recoveries is likely to meet with user resistance and lower usage of the facilities,.

Use of general and ward rates is considered the most equitable mechanism for funding of parks & reserves costs with a small amount of user recoveries.

### **Funding Table - Parks and Reserves**

<b>Activity</b>	<b>Beneficiaries</b>	<b>Current Funding</b>	<b>Future Funding</b>
Passive Reserves	100% Public	100% UAGC District	100% UAGC District
Active Reserves	80% Public 20% Private	20% UAGC District 80% UAC Ward	20% UAGC District 80% UAC Ward

### **Libraries**

*Public benefits include:*

- All facilities are available to all residents.
- Facilities assist the economic and social development of the District.
- Facilities provide opportunities for learning, exercise and recreation.

*Private benefits include:*

- Individuals derive private benefit when they borrow books from the library.

Libraries are operated as a Council wide service and all residents and ratepayers have equal access to the opportunities provided by the libraries. Benefits of the service are considered to accrue equally over current and future years of the plan.

User recoveries are made for rental of library books. These charges are set to recover approximately 10% of the cost of providing library services. Experience has shown that there is consumer resistance to increased charges and reduction in patronage results compromising the outcomes desired from the provision of the service.

The remaining 90% funding comes from the District UAGC as all properties benefit equally from the provision of library services.

### Funding Table - Community Facilities

Activity	Beneficiaries	Current Funding	Future Funding
Public Libraries	80% Public 20% Private	91% UAGC District 9% Fees & Charges	90% UAGC District 10% Fees & Charges

### Community Facilities

Facilities provided by council include

- Cemeteries
- Swimming Pools
- Public Halls
- Community Funding Assistance
- Public Toilets

*Public benefits include:*

- All facilities are available to all residents.
- Facilities assist the economic and social development of the District.
- Facilities provide opportunities for learning, exercise and recreation.

*Private benefits include:*

- Private benefit is gained from certain facilities, for example hall hire and burials.
- Benefit is provided to visitors to the District that do not have to pay for the use of certain facilities, for example public toilets.

Benefits accrue largely to the wider community as opposed to an easily identifiable group of users. Benefits are also considered to accrue evenly over the life of the assets. User recoveries are made for cemetery burials because the costs are readily identifiable and an efficient mechanism exists for charging and recovery. User recoveries are also made for swimming pools and public halls.

The maintenance and upkeep of Cemeteries, as opposed to burials, is considered to be a function of predominantly public good. A significant public good is also provided with Public Toilets, Public Halls and Swimming Pools. These facilities are currently recovered via the Ward Community Facilities

Rate as these facilities are largely provided by and for each ward and the benefit applies equally to each property in the ward.

### Funding Table - Community Facilities

Activity	Beneficiaries	Current Funding	Future Funding
Cemeteries–Burial	20% Public 80% Private	100% Fees & Charges	100% Fees & Charges
Cemeteries–Reserves	100% Public	88% Community Facilities 12% District CV	90% Community Facilities 10% District CV
Community Assistance	100% Public	100% Community Facilities	100% Community Facilities
Halls	80% Public 20% Private	84% Community Facilities 16% Fees & Charges	84% Community Facilities 16% Fees & Charges
Public Toilets	100% Public	100% UAGC District	100% UAGC District
Swimming Pools	80% Public 20% Private	92% Community Facilities 8% Fees & Charges	90% Community Facilities 10% Fees & Charges

## Community Development Activities

- **Community Growth**
  - Economic Development
  - District Promotion
  - Information Centres
  - Positive Paeroa
  - Go Waihi
  - Tourism Coromandel
- **Community Initiatives**
  - Community Development
  - Whiritoa Beachcare
  - Conservation Initiatives
  - Sports Co-Ordinator
  - Grants and Donations
  - Public Transport



*Public benefits include:*

- District is perceived as a more pleasant place to live, work and visit.
- Benefits from most activities are non-excludable by nature (e.g. Conservation Initiatives and District Promotions).

- Services provided are available to all and not excludable to those who wish to use them (i.e. Sports Co-ordinator).
- Information is available to all residents in the District and relates to activities throughout the whole District

*Private benefits include:*

- Benefits to individuals/businesses and groups as a result of some activities (i.e. Economic Development, Tourism Coromandel and Whiritoa Beach Care).
- Direct benefit to the individuals who use the services available.

There is a high proportion of public good in these activities which reflects in the District and Ward Community Facilities based rate funding. Benefits accrue largely to the wider community as opposed to an easily identifiable group of users. Benefits are also considered to accrue evenly over the forthcoming years. Some Economic Development expenditure may bring rewards to the Community in future periods. The conservative view is to fund this expenditure in the year it is incurred.

There is a small opportunity to raise some revenue by way of Fees and Charges in the Information Centres activity. Information Centres have mixed funding to reflect the district wide and local benefits.

While there may be some other private benefits from these activities there is little opportunity to identify particular individuals or groups to charge user recoveries.

Some activities, eg Positive Paeroa and Go Waihi have a local focus and are funded 100% via targeted local rates.

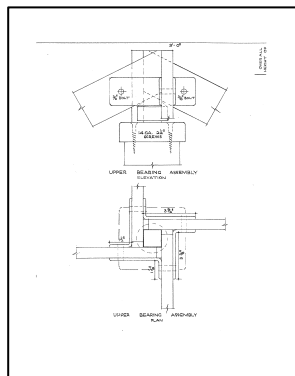
## Funding Summary

Activity	Beneficiaries	Current Funding	Future Funding
Community Development	100% Public	100% UAGC District	100% UAGC District
Conservation Initiatives	100% Public	100% UAGC District	100% UAGC District
District Promotions	100% Public	100% UAGC District	100% UAGC District
Economic Development	70% Public 30% Private	70% UAGC District 30% CV District	70% UAGC District 30% CV District
Go Waihi	40% Public 60% Private	Positive Paeroa 41% Community Facilities 59% Targeted	Positive Paeroa: 40% Community Facilities 60% Targeted
Grants and Donations	100% Public	100% UAGC District	100% UAGC District
Information Centres	80% Public 20% Private	30% UAGC District 60% Community Facilities 10% Fees & Charges	30% UAGC District 60% Community Facilities 10% Fees & Charges
Positive Paeroa	40% Public 60% Private	Positive Paeroa 28% Community Facilities 72% Targeted	Positive Paeroa: 40% Community Facilities 60% Targeted
Public Transport	100% Public	100% UAGC District	100% UAGC District
Sports Co-ordinator	80% Public 20% Private	100% UAGC District	100% UAGC District
Tourism Coromandel	60% Public 40% Private	100% CV District	100% CV District
Whiritoa Beach Care	80% Public 20% Private	100% CV District	100% UAGC District

## Regulation

### Activities

- **Building Services**
- **RMA Implementation**
- **Community Protection**
- **Animal Control**



Hauraki District Council has a statutory responsibility for resource management, environmental health, building construction, animal control, liquor licensing, Emergency Management (Civil Defence) and rural fires.

#### *Public benefits include:*

- The monitoring of the general state of the environment is of benefit to everyone in the District.
- The activity of policy development is beneficial to the district as a whole.
- Information regarding property development and sites subject to hazards are available to all.
- Community benefits through the sustainable management of natural and physical resources.
- The enforcement of building and health standards protects the rights and quality of life of all residents and visitors.
- Activities such as Civil Defence and Rural Fire Control are mandatory requirements under current legislation.

#### *Private benefits include:*

- The need for monitoring arises largely from the activities of individuals/groups who have obtained specific consents or are carrying out specific activities (exacerbators), therefore some private benefit is gained from provision of the service.
- The need for dog registration arises from the keeping of animal by individuals.

Council determined most of the RMA Implementation, Building Services, Health and Liquor Licensing activities are of “mixed good”. The provision of Emergency Management and Rural Fires is principally of public good.

Animal Control has been broken into two distinct activities. Dog Registration which is seen to be predominantly of private good and Animal Control which has a predominant public good.

Benefits are considered to apply equally across the years.

There are opportunities to identify particular individuals or groups to charge user recoveries. Particularly for Dog Registration where the exacerbator principal can be applied and the persons are readily identifiable.

User charges are made for building services and other activities to recover the private benefit portion of services provided.

Building Services, RMA Implementation, Civil Defence, and Rural Fires primarily relate to the protection of property and will be funded by district capital value rates.

Other regulation activities will be funded by district UAGC

### Funding Table - Regulation

Activity	Beneficiaries	Current Funding	Future Funding
Animal Control	70% Public 30% Private	100% UAGC District (costs to be recovered where possible)	100% UAGC District (costs to be recovered where possible)
Building Services	40% Public 60% Private	41% CV District 59% Fees & Charges	41% CV District 59% Fees & Charges
Civil Defence	100% Public	100% CV District	100% CV District
Dog Registration	20% Public 80% Private	100% Fees & Charges	100% Fees & Charges
Health & Liquor Licensing	35% Public 65% Private	76% UAGC District 24% Fees & Charges	76% UAGC District 24% Fees & Charges
RMA Implementation	40% Public 60% Private	63% CV District 37% Fees & Charges	60% CV District 40% Fees & Charges
Rural Fires	100% Public	100% CV District	100% CV District