



Funding Policy

June 2001



Waitakere City Council
Te Taiāo o Waitakere

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INTRODUCTION

This Funding Policy document gives details of Waitakere City Council's funding policy, including how the policy was arrived at through the three-step process set out in the Local Government Act. It is a companion document to Council's Annual and Strategic Plan, and while it is more detailed on issues of funding policy process, it is not intended to be a stand-alone document. For information on the process and the context of the Council's funding decisions are made, please refer to the Annual and Strategic Plan.

The legal requirements governing Council's funding decisions were introduced in 1996 as an amendment to the Local Government Act. These changes to the Act widened the scope of decisions that local Councils could make on funding issues, but set out a very detailed process that all Councils must follow in making those decisions.

Waitakere City Council's first Funding Policy was prepared in 1995, in advance of the legal requirement, and this policy was substantially reviewed during 1997/98 in the preparation of the 1998 Funding Policy.

This document is therefore the third Funding Policy prepared by Council in five years, and there are relatively few significant changes. A new, more regionally-focussed way of working is reflected in references throughout the document to Council funding of joint projects, and to regional and national sources of funding, including Infrastructure Auckland and Transfund. User charges for rubbish collection and disposal, proposed in the 1998 Funding Policy, have now been introduced, and there are some minor amendments to other policies to reflect Council decisions.

Two 1998 decisions of Council are confirmed in this Funding Policy:

- The removal of the Inner Outer differential for all services apart from sewerage
- The allocation of interest on loans taken out prior to amalgamation in 1989 equally across the City. (The exception to this is sewerage loans, which are allocated only to properties in the urban area served with sewerage service).

Council has also confirmed that it will continue to rate based on land value, in keeping with the results of two major consultations on the rating system, in 1995 and again in 1999, which showed little public support for a change to capital value rating.

This document follows the same presentation format as the 2000 Annual and Strategic Plan document. It therefore differs in format from the 2001/02 Annual Budget, which is structured in functional groups.

The review of the Funding Policy has been part of a much wider process of reviewing Council's strategic direction, its objectives and how best to achieve each objective. Although there have been few changes in the funding of Council expenditure, the review of the Funding Policy has been as part of an overall consideration of all of Council's activities and services, including how these services are delivered and paid for. It forms part of a complete plan to take Waitakere City to 2010 and beyond.

1 LEGAL REQUIREMENTS

1.1 PRINCIPLES OF FINANCIAL MANAGEMENT

Council is required to make its financial decisions within the framework of principles inserted into the Local Government Act in 1996 (the Local Government Amendment Act Number 3, 1996).

The principles are:

- Prudent financial management
- Financial sustainability
- Assessment of the costs and benefits of different options
- Lawful funding
- Prudent debt management
- Balancing operating expenses with operating revenue

1.2 FUNDING POLICY – THREE STEP PROCESS

Council is further required to follow a detailed process, set out in the Act, to determine how the costs of each function of Council should be allocated and funded. The legislation intends that by applying this process the funding decisions of councils will be transparent - in other words residents and ratepayers will be able to understand the reasons for these decisions.

The process involves 3 steps, each of which must be applied to each function of Council. They can be summarised as follows:

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

In Step 1 Council must allocate the costs associated with that function using economic principles.

It is important to note that Council is required to allocate costs at this stage but not to choose funding mechanisms. The economic principles to be considered are:

Beneficiary pays - Those who benefit directly from a service provided by Council should pay for that service.

Public good/general benefits - Where a service is a public good (or has some characteristics of public goods - see below), or where the service benefits people in the community other than those who are the direct users, then it is appropriate to consider allocating the costs to the wider community.

In economic theory a “public good” has a precise meaning. A pure “public good” is both “non rival”, meaning that it costs roughly the same to provide the service regardless of the number of people using that service, and “non-excludable”, meaning that it is not possible and/or practical to identify those that benefit or exclude people from using the service. Parks are a good example of a service that is non-rival and non-excludable.

The legislation enables Council to consider cost recovery from a wider group of people than the direct users (e.g. from ratepayers via rates funding) if a service has both or either of these characteristics.

The third concept covered by this principle is that services might benefit people in the community other than the direct users of the service. These flow-on or “third party benefits” or “externalities” might include the contribution that libraries, museums and parks make to the cultural life and vibrancy of a city - even for people that don’t directly use them.

Intergenerational equity - the principle that costs of any expenditure should be recovered at the time that the benefits of that expenditure accrue. This principle applies particularly to capital expenditure, which provides benefits over time.

Exacerbator pays - Where costs are incurred because of the negative effects of people’s actions (or inactions) then these people should be made to bear the costs. This principle is particularly relevant to Council’s regulatory functions although can be applied to developers who place demand on the city’s infrastructure. It is important to note that the actions themselves may not be negative or “bad” but they may have negative effects.

STEP 2 MODIFIED ALLOCATION OF COSTS

At this step Council may modify the allocation of costs arrived at during Step 1 after taking into account a range of factors. These include:

Fairness and equity - where Council decides to alter the allocation of costs due to equity considerations these must be clearly stated.

Transitional impacts - Council may “phase in” any change of policy that would come about from allocating costs according to step 1.

Council policy - Council may allocate costs in a way that promotes its policy.

Interest of residents and ratepayers - Council may alter the allocation of costs arrived at in step 1 if it decides this allocation is not in the interest of residents and ratepayers. The legislation gives no further guidance as to how this consideration is to be applied.

STEP 3 SELECTION OF FUNDING TOOLS

Council must select, for each function, the funding tool, which will achieve or nearly achieve the allocation of costs arrived at in step 2 but can also take into account issues such as practicability, cost and transparency.

Funding mechanisms that Council can consider under step 3 include rates, any differential rating system, Uniform Annual Charges (UACs) and the Uniform Annual General Charge (UAGC), fees and charges, revenue from any function, any other sources of revenue, long term borrowing and capital sums from any source.

1.3 OTHER LEGAL REQUIREMENTS

Although the Local Government Amendment Act, number 3, 1996 is the major piece of legislation governing Council's funding decisions, the Act restricts Council to using funding mechanisms that are **lawfully available**. There are a number of other pieces of legislation that are relevant to determining whether a funding mechanism is lawfully available. They include:

1.3.1 RATING POWERS ACT

This Act sets out all the legal requirements for rating. It covers the valuation systems which may be used, the various rating mechanisms available (such as uniform charges, special rates etc.). It also sets a number of limits on local government. For example, total uniform charges (excluding any UAC for wastewater) may not exceed 30% of total rates revenue.

The Department of Internal Affairs, at the request of Local Government New Zealand, has completed a review of the Rating Powers Act, alongside the review of the Local Government Act. Pursuant to this review, the Government tabled the Local Government (Rating) Bill before the Parliament on 8 August 2001. The Bill is now referred to the Local Government and Environment Committee with an instruction that the Committee report by 15 November 2001.

The key provisions of the Bill concern who is liable to pay rates, what land is rateable, what kind of rates may be set and how those rates are set. The Local Government New Zealand and the individual Councils are now reviewing the provisions in the Bill for the preparation of their submissions to the Select Committee. Waitakere City is playing an active role in these reviews.

1.3.2 BUILDING ACT, SALE OF LIQUOR ETC.

A number of Acts, such as the above, set out statutory fees for various types of regulatory services. These fees may not be exceeded. Where fee setting is up to the local authority, there is often a general legal requirement for this to be "fair and reasonable".

1.3.3 RESOURCE MANAGEMENT ACT

This Act sets out Council's responsibilities in terms of the environment. It also specifies the circumstances in which local authorities may require financial contributions from developers to meet the costs of their impact on the environment including their impact on the demand for infrastructure.

2 GLOBAL POLICIES ON FUNDING AND RATING

2.1 CAPITAL EXPENDITURE

Capital expenditure is the category of spending which creates a new asset, or extends the lifetime of an existing asset. There are four ways in which capital expenditure can be funded:

- Grants and Subsidies
- Financial Contributions
- Loans
- Rates (including rates levied to provide for depreciation)

Each funding method is described in more detail below, including the situations in which Council will use each method.

2.1.1 GRANTS AND SUBSIDIES

Council receives subsidies from Transfund which cover a significant proportion of the capital and maintenance costs of roads and also some other infrastructure (for example streetlights and cycle ways).

Over the coming years, Infrastructure Auckland may also become a significant funding source for capital expenditure in the areas of passenger transport, stormwater and the arts.

Council's eligibility to receive grants from other organisations (e.g. Lotteries Commission, ASB Trust) is limited in some cases. For some major capital projects Council may use alternative governance structures (e.g. a Trust) to maximise its opportunities to access alternative sources of funding.

2.1.2 FINANCIAL CONTRIBUTIONS

Where expenditure is required to directly address the impacts of new development, Council is entitled to recover the costs from developers using the Financial Contributions provisions of the District Plan.

Some capital expenditure cannot be funded from financial contributions, including:

- The component of capital works which is of benefit to existing residents
- Renewals of existing assets, except to increase capacity for development
- Community facilities and other "soft" infrastructure, although work is underway to develop a financial contributions formula for these assets.

Where capital expenditure can be funded from financial contributions, Council will use this source of funding in preference to rates or loans. In some cases infrastructure or parks will be needed in advance of development. In these cases Council will fund the initial expenditure from loans and will recover the interest and principal on these loans over time through financial contributions.

Council's proposed financial contributions formula is set out in the District Plan but this part of the Plan is not yet operative until appeals on the issue are heard in the Environment Court (expected during 2001). Until this time, Council will continue to levy "developer contributions" under the repealed Local Government Act provisions.

2.1.3 LOANS

To preserve “intergenerational equity”, it is now Council policy to spread the cost of capital expenditure over the life of the asset, by means of debt. Council will provide, through its Long Term Financial Strategy, for the repayment of debt at a rate that maintains interest costs at less than 15% of the rate requirement (including water charges).

2.1.3.1 ALLOCATION OF LOAN COSTS

Council now operates a “central banking” system whereby Council’s total interest costs are allocated to activities and services based on the assets they contain, rather than on the individual loans raised in past years for each asset. This new method averages out interest rates and debt funding ratios across Council.

Interest costs allocated to a service will reflect:

- Council’s overall interest costs, which will alter as Council’s total debt or interest rates change;
- the proportion of Council’s interest costs allocated to that service, which will alter depending on:
 - assets purchased for that service, relative to total assets purchased, and
 - reduction in asset values due to depreciation, for that service relative to the total.

2.1.3.2 FUNDING OF LOAN COSTS

In general, loan costs allocated to a service (including interest and principal repayments) will be funded in the same way as operating costs for the activity or service to which the loan relates. Thus loan costs allocated to Council’s water supply network, not recoverable from financial contributions, will be funded from user charges in keeping with the funding of the water supply service. Loan costs related to parks will be repaid from rates.

The use of the Waitemata Asset Acquisition Fund has been approved to fund interest costs for new road sealing in the former Waitemata area for 2001/02.

Effective from 1 July 2001, borrowing costs on assets under construction will be capitalised until assets come into productive use, in accordance with the Financial Reporting Standard No. 3, 2001 of the Institute of Chartered Accountants of New Zealand. The capitalised costs may be funded from loans.

2.1.3.3 LOAN REPAYMENT

Council will make provision in its Long Term Financial Strategy for a prudent program of loan repayment, funded from rates.

Loans raised for user-funded services, for example water supply loans, will be repaid from user charges.

Asset sales are another potential source of funding for loan repayment. Revenue from asset sales will go to reduce Council's total debt unless Council specifically directs that the funds be put to another use. Reducing debt will reduce the interest and principal costs allocated to all activities and services which control assets. Even in cases where the asset sale is directly linked to an asset purchase the transaction will be processed through Council's central banking portfolio, with revenue from the sale reducing total debt and the cost of the purchase increasing it.

For details on the management of loans and debt, please refer to Council's Borrowing and Investment Policy.

2.1.4 RATES

Rates will be used to fund renewals, a special category of capital expenditure which extends the lifetime of an existing asset but does not create a new asset. In keeping with the principles of prudent financial management, Council will keep up with the renewals requirements of the City's infrastructure and other essential assets and will fund this expenditure from rates in the year in which it occurs. Rates raised to fund renewals expenditure will be counted towards Council's obligations to fund depreciation of its assets.

Council may also opt to fund capital expenditure, other than renewals, from rates where this is in keeping with the principles of prudent financial management.

2.2 OPERATING EXPENDITURE (INCLUDING DEPRECIATION)

Where expenditure does not create a new asset for future use, or extend the lifecycle or usefulness of an existing asset, it is classed as operating expenditure. Most of Council's day-to-day expenditure comes into this category. Council will always generate sufficient cash flow from revenue sources (including rates) to meet cash flow requirements for expenditure, over the long term.

Depreciation is a special category of operating expenditure. It is not a cash item but a recognition of the loss of value, through normal wear and tear, of Council's assets.

Council's view is that if an asset is well managed and maintained it will retain its value over time. This will be achieved through undertaking the renewals programme set out in the relevant Asset Management Plan. These renewals will be funded from rates. In this way Council will meet its obligations to manage its finances prudently in the interests of residents and ratepayers.

Council recognises that all operational expenses need to be at least fully matched to available operational revenues on annual basis. In the early years of the Long Term Financial Strategy, the calculated depreciation on Council's assets exceeds the funding required for the renewals programme, The Council rather than collect additional income at this point, which is surplus to expenditure needs, has examined its future sources of income. It has resolved that the future operating surplus from the planned sale of Power New Zealand shares in 2004/2005 will fund any anticipated operating deficits occurring from 2001. This is an allowable practice under the Local Government Act 1974 and this use of the future surplus is consistent with prudent financial management as required under the Act.

2.3 ASSET SALES

Council owns, on behalf of the community, \$1.29 billion of assets. The great majority of these assets are required in order to deliver the services which the community requires of Council. For example the pipes, pumps and monitoring equipment of Council's water supply network are essential to provide the community with the water supply service it needs and expects. Council's libraries, community houses and a wide range of other assets are also used wholly or partly to provide services and to support activities which form part of Council's Strategic Plan. These are the Council's "strategic assets".

A few assets – only \$5.3 million of the \$1.29 billion total – are considered non-strategic in that they do not currently make a contribution to the strategic activities of Council except in terms of the revenue they generate. In these cases the benefit to Council and the community from owning the asset is measurable simply as the rate of return.

Council will consider selling non-strategic assets where the rate of return from owning the asset is lower than the financial benefit to ratepayers of selling and of using the proceeds of sale to repay debt. In its considerations, Council will take into account the risk associated with continuing to own the asset, and the risks associated with Council's total debt.

Proceeds from any assets sales will go to repay debt, unless Council specifically directs that the funds be put to another use. Through the central banking mechanism, debt repayment will reduce Council's overall level of debt and hence the interest costs allocated across all of Council's assets.

Council will not acquire assets purely for financial gain, though it may take financial prospects into account in investing in assets which also serve a strategic purpose (e.g. the future land value of a park and ride).

Strategic Assets

Some assets, for example parks or road reserves, are strategic in that they are part of an essential service of Council. However a given park or road reserve may or may not be the best investment for that service at any given time.

Council may consider the sale of parks or roads where any sale and consequent use of funds would have an overall positive effect on the parks or roading service. The same principle will be applied to other strategic assets.

2.4 OVERHEADS

The way in which Council allocates its overheads to different areas of Council operation is important for the Funding Policy, particularly for services that are funded fully or mostly from user charges. For these services it is important that overheads are allocated on a similar basis as if these services were being operated by the private sector - otherwise users may be asked to pay too much.

Overheads (including accounting services, human resources, secretarial support etc.) are allocated to each area of Council by estimating what that service requires to operate effectively. These overheads will form part of any user charge.

Council also faces a number of costs that the private sector does not. These democracy and monitoring costs include running Council meetings and holding elections, as well as policy advice, advocacy and consultation. Democracy and monitoring is not treated as an overhead. It is considered an activity in its own right, and is funded from rates.

2.5 RATING POLICIES AND DIFFERENTIALS

In its decision making on rating policies, including differentials, Council has applied the 3-step process set out in the local government Act (as described in Section 2.2) for developing a funding policy as a set of broad principles applied to Council's activities and expenditure as a whole.

2.5.1 CHOICE OF RATING SYSTEM.

Council uses the Land Value system to apportion rates. That is, the total rate requirement arrived at through the Annual Plan process is allocated to properties on the basis of their land value. In 1993 and again in 1998 Council consulted with the community and reviewed its choice of a rating system between the three legally available options: land value, capital value or annual rental value.

Council considered which rating system is:

- Fairest for most people
- Easiest for people to understand
- Efficient for Council to administer
- Has the support of the public

In both the 1993 and 1998 reviews, public consultation indicated that there is a strong preference in the community for land value rating. While Capital Value does have some advantages in terms of fairness and ease of understanding, these are not of a scale to justify a change in rating system, where the change itself would have costs and public impacts. Council has therefore resolved to continue to rate based on land value. Council will also lobby for changes to the Rating Powers Act to allow local government greater flexibility in apportioning rates.

2.5.2 RATING DIFFERENTIALS

DIFFERENTIALS BASED ON STEP 1: WHO BENEFITS AND WHO SHOULD PAY?

Council has considered the level of benefit from all of Council's services and has attempted to identify any major differences in benefit between different categories of ratepayers.

This is a difficult exercise as each individual ratepayer uses, or benefits from, a slightly different mix of Council services. Some people use libraries more than average, while others make greater use of the City's roads.

Also, every ratepayer is a stakeholder in the future of Waitakere City and will therefore benefit to some extent from the provision of services such as

libraries and roads which make urban life possible and create a city worth living in.

Based on the benefit principle, Council has identified three differentials which are applied to the rating system. They are:

- **Business Sector differential.** On average, a business will make greater use of the City's wastewater, stormwater and roading services than residential ratepayers and will benefit more from work to improve town centres. This difference in benefit is calculated each year and is reflected in the business sector differential. Details of how the Business Sector Differential is calculated are given in section 2.5.1.
- **The Multi-Unit differential.** From a rating perspective, a multi-unit property is a single rate account and pays only a single uniform annual charge – in contrast to a cross lease or a strata title arrangement where separate rate accounts are created. This differential mimics the effect of a uniform annual charge on each multi-unit property and is put in place on the principle that each individual dwelling should make a minimum contribution to funding the activities of Council.
- **Charging of Sewerage Costs.** The costs of the sewerage system, including any loan costs associated with Council's sewerage asset, are allocated only to properties which are, or could reasonably be, connected to the reticulated sewerage system. Costs associated with septic tanks are allocated to the Outer (unsewered) areas of the City.

In the development of its 1998 Funding Policy, Council removed two existing differentials which had been in place for reasons loosely argued (in the 1995 Funding Policy) on the benefit principle; the Inner Outer differential and Special Rates (pre-amalgamation loans) - the allocation of the cost of loans raised prior to amalgamation in 1989 on the basis of the Council boundaries in place at that time. In both cases Council considered the differences in overall benefit to be too small to warrant the existence of a differential.

STEP 2: FAIRNESS AND EQUITY, COUNCIL POLICIES, AND THE INTERESTS OF RESIDENTS AND RATEPAYERS

In step 2, Council considers the overall fairness of the rating system and whether any adjustment is needed to achieve a fair allocation of rates. Two adjustments are made to the rating system on this basis:

- **Stepped differential.** Council recognises that a disadvantage of the land value system is that it allocates very high rates to a few high value properties. This is particularly the case in Waitakere City where there is a very wide range of land values with few high value properties. To achieve a fairer allocation of rates and to ensure that rates on high value properties are at least comparable with those in other cities, Council applies a stepped differential which reduces rates on properties above the average land value relative to what they would be if rates were allocated based on land value alone.

- **Special Categories differential.** This differential reduces the rates on some properties held for community purposes (such as reserves, halls, museums, crèches etc.) as long as there is no private profit involved.

STEP 3: LAWFULLY AVAILABLE FUNDING METHODS

Council has two differentials which are required by government. These are:

- **Watershed differential.** A legal maximum is set for the rating of watershed properties, and Council rates the watershed properties owned by the Regional Council at the legal maximum. The rates are higher than they would be if rated residential, but lower than if they were rated commercial/industrial.
- **Farmland differential.** This relates to the partial rates postponement in cases where the land value of farmland is affected by other potential uses (such as commercial or industrial). The Lincoln Road vineyards come into this category.

2.5.3 CALCULATION OF THE BUSINESS SECTOR DIFFERENTIAL

Council has a business sector differential, which is set each year by assessing the expenditure that relates to the business sector. If no differential were in place, business sector rates would reflect the total land value occupied by the sector – currently around 7%.

In most cases the assessment of benefits to the business sector has been based on an estimate of the costs of supplying a rates-funded service to the business sector and the expert knowledge of those working in the area.

2.5.3.1 IDENTIFYING THE BUSINESS SECTOR

Three issues arise with respect to the classification of businesses for the purpose of applying the business sector differential.

1. Council has considered splitting the industrial sub-sector and the commercial sub-sector for the purposes of calculating differentials. However there are technical difficulties in distinguishing between the two sub-sectors and allocating costs across each sub-sector. Following consultation, Council decided to retain the combined business sector differential.
2. Some commercial properties (such as some garages and dairies) are located in residential areas. These properties are defined to be part of the business sector for the purposes of applying the business sector differential. In 1994, during the development of the 1995 Funding and Rating Policy, Council reviewed the services provided to these businesses relative to businesses in working or community environments. No justification for changing the differential was identified.
3. Some residential properties have limited commercial uses located within them (home occupations). Where a commercial use meets standards set out in the District Plan for noise and other environmental effects

these properties are rated as residential properties. Council recognises this issue but will continue to rate these properties as residential on the ground that:

- ◆ Most significant home-based businesses do require a resource consent to operate. In this case they will be charged commercial rates.
- ◆ It would be extremely difficult to identify home occupations where there is no requirement to apply for a resource consent.
- ◆ In addition to business in appropriate community and working environments, Council wishes to support home occupations as they reduce the need for people to travel to work and contribute to community diversity and strength.

2.5.3.2 ALLOCATING COSTS BETWEEN THE BUSINESS AND RESIDENTIAL SECTORS

The business sector differential only applies to rates funded services; for user-pays services no adjustment is needed. For the following rates-funded services Council has good information that allows it to calculate that there is a higher level of benefit to the average business than to the average residential ratepayer:

- **Town Centre Revitalisation.** 50% of these costs are allocated to the business sector, based on Council's determination that 50% of the benefits of this service are to the business sector.
- **City Image services in town centres.** 50% of these costs are allocated to the business sector, consistent with the funding of Town Centre Revitalisation
- **Roading.** Damage to the City's roads caused by trucks is evaluated and charged to the business sector. Currently around 60% of road maintenance costs are due to trucks rather than cars.
- **Stormwater.** Stormwater costs are allocated to the business sector based on an assessment of the proportion of commercial properties covered by impermeable surfaces (which generate runoff)
- **Wastewater.** Costs of wastewater are allocated to the business sector based on that sector's use of water.

In each of the cases above, the 3-step analysis in Section 4 of this document has highlighted that the business sector benefits more than the residential sector.

For all other services Council's view is that both sectors benefit equally, or that it is not practicable to obtain information that would enable an accurate allocation of costs. Most services in this category produce indirect "public benefits" which enhance the city as a place to work, live and visit (for example community facilities, public libraries, the aquatic centre, and parks and reserves). In this case the business sector's proportion of total costs is equal to their share of land value, currently 7.3% (land valuation share at 1 July 1999).

An analysis of the draft Annual Plan for 2000/2001 has shown that the indicative share of costs attributable to the Business Sector equates to 19.23% of the rate requirement. On June 28, Council resolved to maintain the existing rating differential at 21% of the rate requirement, as there had been insufficient time to establish the extent of any changes in sector values over the past year. The calculation and adoption of the business sector differential for 2001/2002 will be done after the adoption of the Annual Budget.

3 FUNDING POLICY ANALYSIS BY PATHWAY

3.1 SUMMARY OF FUNDING POLICY

URBAN VILLAGES

	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 1: Growth & Revitalisation				
Town Centre Revitalisation	Businesses in local area; businesses generally; shoppers; all residents generally;	Town Centre revitalisation is key to the Council's urban strategy.	None	<ul style="list-style-type: none"> Rates, with 50% business sector differential. Scope for direct contributions from businesses and for separate rating areas to be created for specific works.
District Plan preparation	The community as a whole	None	None	<ul style="list-style-type: none"> Rates
Structure Plans	Local community; developers; future residents; the community as a whole.	None	None	<ul style="list-style-type: none"> Rates; direct charges to developers or residents where appropriate.
Verbal advice and information	The person receiving the advice. The community as a whole.	None	Very difficult to charge for verbal advice	<ul style="list-style-type: none"> Rates
Resource Consents	The applicant.	None	None	User Charges

Urban Villages cont'd	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 2: Amenity and Heritage				
Amenity services in Town Centres	Businesses in local area; businesses generally; shoppers; all residents generally;	Amenity work (intersection amenity, graffiti removal, artworks) are key to the success of Town Centre Revitalisation.	None	<ul style="list-style-type: none"> Rates, with 50% business sector differential.
Citywide amenity services, including graffiti removal	The community as a whole; offenders (litterers, taggers &c)	None	Very rarely possible to identify and charge offenders.	<ul style="list-style-type: none"> Rates
Heritage buildings	The community as a whole	None	A Heritage Trust may be able to access other sources of funding not available to Council.	<ul style="list-style-type: none"> Rates. Council will investigate setting up a Heritage Trust.
District Plan preparation	The community as a whole	None	None	<ul style="list-style-type: none"> Rates
Resource consents	The applicant, in most cases. For heritage and tree resource consents the main benefits are to the community as a whole.	None	None	<ul style="list-style-type: none"> Heritage and Tree resource consents funded from rates. Other resource consents funded from user charges.
Verbal advice and information	The person receiving the advice. The community as a whole.	None	Very difficult to charge for verbal advice	<ul style="list-style-type: none"> Rates
Objective 3: Access and Travel choice				
Footpaths and Cycleways	Footpaths in new subdivisions benefit the developer of the subdivision. Otherwise, the benefits are to the	The Council has a policy of encouraging walking and cycling as the simplest and most environmentally friendly	None	<ul style="list-style-type: none"> Rates Financial contributions for footpaths related to new subdivisions

Urban Villages cont'd	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
	community as a whole.	transport modes.		
Roads	Road users, in proportion to their use (congestion) and the weight of their vehicles (structural damage). Roads in new subdivisions, and expansions of the road network to cope with growth, benefit the developers. There are also some benefits to the community as a whole.	It is important that the costs of roads, including environmental and safety costs, are made explicit to those who use them. However some real options including good public transport need to be in place for road charges to be effective in changing behaviour.	Road users can at present only be charged via Transfund subsidy (48% of capital and 43% of maintenance charges). Users of trucks cannot be charged directly by the Council; instead the business sector differential is used as a proxy.	<ul style="list-style-type: none"> • Transfund subsidies • Rates (with costs related to trucks recovered via the Business Sector differential) • Financial contributions for roads related to new subdivisions or to growth.
Streetlights	Street lights in new subdivisions benefit the developer of the subdivision. Otherwise, the benefits are to road users (at least 50%) and the community as a whole.	None	Road users can at present only be charged via Transfund (43%).	<ul style="list-style-type: none"> • Transfund subsidies • Rates
Road safety services and traffic management	Road users	None	Road users can at present only be charged via Transfund (43%).	<ul style="list-style-type: none"> • Transfund subsidies • Land Transport Safety Authority subsidies • Rates
Carpark provision and maintenance	Carpark users; local businesses	Charging for short term carparking in the City may discourage people from	To avoid creating a disincentive to shop locally, any short term	<ul style="list-style-type: none"> • Rates • User charges for long term carpark leases

Urban Villages cont'd	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
		shopping locally. Some long term leases are on a user pays basis.	carpark charges need to be as part of a regional strategy, to be worked on in 2000/01.	
Objective 4: Local Parks				
Parks capital works	Parks in new subdivisions, and improvements to the parks network to cope with growth, benefit developers. The benefits of other Parks improvements are to the community as a whole.	None	None	<ul style="list-style-type: none"> Financial contributions for parks related to new subdivisions or to growth. Rates (or loans, to be repaid from rates) for improvements to meet the needs of current population.
Parks maintenance	The community as a whole	None	None	<ul style="list-style-type: none"> Rates
Objective 5: Community Buildings				
Community centres, houses and halls	User groups, though many of these groups themselves exist to benefit the community as a whole.	By providing useful public space in key locations, community buildings are a key part of Council's Urban Villages strategy.	None	<ul style="list-style-type: none"> User charges, with a fee scale reflecting the nature of the group Rates

PASSENGER TRANSPORT

	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 1: Passenger Transport – General				
Passenger Transport planning	The community as a whole, including road users and businesses.	While businesses are expected to benefit significantly, this will be to the long term benefit of residents, through improved access to local jobs.	Some aspects of this work are regional in scope and need to be funded at the regional level.	<ul style="list-style-type: none"> • Transfund • Infrastructure Auckland funding • Rates
Objective 2: Rail, Bus and Water Transport				
Bus shelter construction and maintenance	Passenger transport users, road users (through reduced congestion), and the community as a whole.	To encourage use of passenger transport, users will not be charged.	Road users currently cannot be charged as no Transfund subsidy is available for this service.	<ul style="list-style-type: none"> • Rates
Park and Ride	Park & Ride users, road users (through reduced congestion), the community as a whole.	To encourage use of Park & Ride and of passenger transport, users will not be charged.	Road users currently cannot be charged as no Transfund subsidy is available for this service.	<ul style="list-style-type: none"> • Rates • Infrastructure Auckland funding

SUSTAINABLE BUSINESS

	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 1: Strong Local Economy				
Policy and advocacy work; support for tourism	The community as a whole, businesses.	While businesses are expected to benefit significantly, this will be to the long term benefit of residents, through improved access to local jobs.	None	<ul style="list-style-type: none"> • Rates
Objective 2: Supporting Existing Business				
Business survey	The community as a whole, businesses.	While businesses are expected to benefit significantly, this will be to the long term benefit of residents, through improved access to local jobs.	None	<ul style="list-style-type: none"> • Rates
Council's contribution to Enterprise Waitakere services	The community as a whole, businesses. Note that users of the service are charged directly by Enterprise Waitakere.	While businesses are expected to benefit significantly, this will be to the long term benefit of residents, through improved access to local jobs.	None	<ul style="list-style-type: none"> • Rates

Sustainable business cont'd	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 3: Attracting New Business				
Business attraction and city promotion	The community as a whole, businesses.	While businesses are expected to benefit significantly, this will be to the long term benefit of residents, through improved access to local jobs.	None	<ul style="list-style-type: none"> • Rates

WELLBEING SUPPORT

	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 1: Strong communities				
Policy and advocacy work	The community as a whole.	None	None	<ul style="list-style-type: none"> • Rates
Community liaison and support	The groups receiving assistance; however these groups themselves exist to benefit the community as a whole.	None	None	<ul style="list-style-type: none"> • Rates
Arts and events	Participants (artists, retailers, audience) and the community as a whole	Ability to pay should not be a barrier to participation.	None	<ul style="list-style-type: none"> • Rates • Admission & exhibiting charges • Sponsorship • ARST arts fund
Objective 2: A supportive environment for children				
First Call for Children policy and programmes	The community as a whole.	None	None	<ul style="list-style-type: none"> • Rates
Objective 3: Community safety, health and support				
Policy and advocacy work	The community as a whole.	None	None	<ul style="list-style-type: none"> • Rates
Council's support for CABx	Individuals who use the service, the community as a whole	Ability to pay should not be a barrier to accessing important information.	None	<ul style="list-style-type: none"> • Rates
Council's support for community projects and partnerships (e.g. Safe Waitakere)	The community as a whole.	None	None	<ul style="list-style-type: none"> • Rates

Wellbeing Support cont'd	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 4: Leisure				
Policy and advocacy work	The community as a whole.	None	None	<ul style="list-style-type: none"> • Rates
Aquatic and Recreation Centres	Individuals and groups who use the facilities (75%), the community as a whole (25%)	Ability to pay should not be a barrier to participating in healthy sporting activities	None	<ul style="list-style-type: none"> • User charges • Rates
Citywide parks	The community as a whole. Improvements to citywide parks to cope with growth benefit developers.	None	None	<ul style="list-style-type: none"> • Rates • Financial contributions
Sportsfields	Individuals and groups who use sportsfields, the community as a whole	Ability to pay should not be a barrier to participating in healthy sporting activities	None	<ul style="list-style-type: none"> • Rates
Recreation and holiday programmes	Individuals and groups who participate (75%), the community as a whole (25%)	Ability to pay should not be a barrier to participation	None	<ul style="list-style-type: none"> • User charges • Rates
Objective 5: Library, Education and Information services				
Libraries	Individuals and groups who use the libraries, the community as a whole	Residents feel very strongly that traditional library services should be free.	None	<ul style="list-style-type: none"> • Rates • Some charges for late items, and for non-traditional services.
Verbal advice and information	The person receiving the advice. The community as a whole.	None	Very difficult to charge for verbal advice	<ul style="list-style-type: none"> • Rates
Advocacy for education	The community as a whole	None	None	<ul style="list-style-type: none"> • Rates

Wellbeing Support cont'd	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Land Information Memoranda	The person receiving the information	None	None	<ul style="list-style-type: none"> • User charges
Objective 6: Access to appropriate housing				
Policy and advocacy work	The community as a whole.	None	None	<ul style="list-style-type: none"> • Rates
Housing for Older Adults	Tenants (80%), and the community as a whole (20%)	Council does not wish ratepayers to fund this service.	None	<ul style="list-style-type: none"> • User Charges (Rentals)
Objective 7: Protection from nuisances and hazards				
Building Control	The applicant	None	Difficult to charge for verbal advice and information in relation to building consents	<ul style="list-style-type: none"> • Consent fees • Rates (for verbal advice and information)
Resource Management	The applicant	None	None	<ul style="list-style-type: none"> • Consent fees
Environmental Health and Safety	The community as a whole. Those who create health or safety risks.	None	Often difficult to identify offenders and to charge them.	<ul style="list-style-type: none"> • Rates • Fines

Wellbeing Support cont'd	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Animal control and welfare	Dog owners benefit from the dog registration system. Irresponsible dog owners cause the need for animal control services. The community as a whole also benefits from this service.	None	Often difficult to identify owners of offending dogs and to charge them.	<ul style="list-style-type: none"> • Dog registration fees • Fines • Rates • Council will investigate potential sponsorship and government funding
Cemetery and Crematorium	Burial and cremation services benefit the relatives and friends of the deceased. Heritage and park aspects of the cemetery benefit the community as a whole. The community also has an obligation towards returned servicemen.	None	None	<ul style="list-style-type: none"> • User charges • Rates (for heritage and park aspects, and for costs related to burial of returned servicemen)
Civil Defence	The community as a whole	None	None	<ul style="list-style-type: none"> • Rates
Rural Fire	The community as a whole	None	None	<ul style="list-style-type: none"> • Rates

GREEN NETWORK

	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 1: Native Ecosystem Improvement				
Policy and advocacy work; regeneration and restoration projects.	The community as a whole. Restoration works needed as a result of growth benefit developers.	None	None	<ul style="list-style-type: none"> • Rates • Financial Contributions
Objective 2: Protection from threats				
Weed control	The community as a whole. Some innovative methods of weed control are being trialled, which could benefit others outside the City.	None	None	<ul style="list-style-type: none"> • Rates • External part-funding for research projects
Objective 3: Access and amenity				
Wilderness parks and walkways	The community as a whole. Works needed as a result of growth benefit developers.	None	None	<ul style="list-style-type: none"> • Rates • Financial Contributions
Amenity and community plantings	The community as a whole. Community planting works needed as a result of growth benefit developers.	None	None	<ul style="list-style-type: none"> • Rates • Financial Contributions

Green Network cont'd	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 4: Stormwater				
Stormwater systems – Flood prevention	Those who benefit from the impermeable surfaces (roads, roofs etc) which create the runoff. Stormwater capital works needed as a result of growth benefit developers.	None	Very difficult to charge on the basis of impermeable surface area.	<ul style="list-style-type: none"> • Rates • Business sector differential, calculated as that sector's share of the City's impermeable surface area. • Financial Contributions
Stormwater systems – Pollution control	Those who cause pollution; mainly road users. Works needed as a result of growth benefit developers.	None	Currently no mechanism for charging road users for their environmental effects	<ul style="list-style-type: none"> • Rates • Financial Contributions • Council will lobby for funding of these works by road users.
Objective 5: Stewardship				
District Plan preparation	The community as a whole	None	None	<ul style="list-style-type: none"> • Rates
Regulatory costs	Those who do not obey District Plan Rules and bylaws.	None	Very difficult to identify offenders and recover reasonable costs.	<ul style="list-style-type: none"> • Rates • Fines
Community projects, and assistance to private landowners.	The community as a whole.	None	None	<ul style="list-style-type: none"> • Rates

WATER

	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 1: Sustainable management of water and wastewater				
Participation in regional and national initiatives	The community as a whole.	None	None	<ul style="list-style-type: none"> • Rates
Council's role as a shareholder of Watercare Services Ltd	The community as a whole.	None	None	<ul style="list-style-type: none"> • Rates
Objective 2: Water supply (bulk)				
Water supply (bulk)	Water users (70%). The community as a whole (for firefighting, public health – 30%).	Council wishes to encourage water conservation and to limit long term costs by reducing average water use.	None	<ul style="list-style-type: none"> • User charges
Objective 3: Water network (local)				
Water supply network	Water users (70%). The community as a whole (for firefighting, public health – 30%). Works needed as a result of growth benefit developers.	Council wishes to encourage water conservation and to limit long term costs by reducing average water use.	None	<ul style="list-style-type: none"> • User charges • Financial Contributions
Objective 4: Wastewater network (local)				

Water cont'd	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Inner area drainage services	Users of the wastewater network, the community as a whole. Works needed as a result of growth benefit developers.	Council wishes to encourage wastewater minimisation and to limit long term costs by reducing average water use and wastewater generation. Council also wishes to have regard to both the "ability to pay" and "beneficiary pays" principles in its funding.	Installation of separate meters for measuring wastewater outflow from households is not cost effective at present due to technological limitations. The Council cannot fund wastewater through flow-based charges unless it forms a LATE, which it has resolved not to do.	<ul style="list-style-type: none"> • Rates • Financial Contributions

Water cont'd	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Outer area septic tanks	Most costs are already borne by users. Council costs for pumpout services have both public and private benefits. Monitoring and regulatory services benefit the community as a whole.	The Council wishes to encourage high-tech onsite disposal systems.	Administratively very expensive to bill septic tank owners for pumpout costs, hence a Uniform Annual Charge is used as a simple proxy for a user charge.	<ul style="list-style-type: none"> • Uniform Annual Charge • Credit scheme for owners of high-tech onsite systems.
Objective 5: Wastewater disposal				
Wastewater disposal costs	Users of the wastewater service, the community as a whole. Expansion of regional wastewater disposal facilities needed as a result of growth benefit developers.	Council wishes to encourage wastewater minimisation and to limit long term costs by reducing average water use and wastewater generation. Council also wishes to have regard to both the "ability to pay" and "beneficiary pays" principles in its funding.	The Council cannot fund wastewater through flow-based charges unless it forms a LATE, which it has resolved not to do. The Council cannot pass on to developers the portion of Watercare charges which relate to expansion of regional facilities to cope with growth.	<ul style="list-style-type: none"> • Rates

SOLID WASTE

	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 1: Reduction and Re-use				
Cleaner Production, education, business partnership programmes	The community as a whole. Some innovative programmes benefit the community beyond Waitakere City.	None	None	Rates External funding and sponsorship
Objective 2: Recycling				
Recycling services	Users, the community as a whole.	Council wishes to encourage recycling as a way of minimising waste to landfill.	None	Rates Recoveries from sale of recyclable materials
Objective 3: Waste collection and disposal				
Rubbish collection and disposal	Users, the community as a whole	Council wishes to encourage waste minimisation and to limit long term costs of waste disposal to landfill.	A small rates subsidy is necessary at present in order to meet Council's legal obligations to provide a rubbish collection service citywide.	Bag sales Rates
Inorganic rubbish collection	Users, the community as a whole	None	No practical method of charging for kerbside inorganic collection	Rates

Solid Waste cont'd	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 4: Resource recovery				
Transfer station services	Users	None	None	Gate fees
Composting of kitchen and food waste	Users, the community as a whole	Council wishes to encourage composting as a way of minimising waste disposal to landfill.	None	Rates Gate fees
Disposal of ginger root	Users, the community as a whole	The Council wishes to encourage safe disposal of this noxious weed.	None	Rates
Objective 5: Litter services and illegal dumping				
Enforcement of bylaws	Those who do not obey bylaws.	The Council believes the rising cost of disposing of abandoned vehicles is due to government policy.	Very difficult to identify offenders and recover reasonable costs. No Central government funding for abandoned vehicles.	Rates Fines
Litter collection	Those who litter	None	Very difficult to identify offenders and recover reasonable costs.	Rates
Assistance to community-initiated cleanups	The community as a whole	None	None	Rates
Litter services in Town Centres	Businesses in local area; businesses generally; shoppers; all residents generally;	Litter bins and services are key to the success of Town Centre Revitalisation.	None	Rates, with 50% business sector differential.
Objective 6: Aftercare				
Aftercare	The community as a whole	None	None	Rates

DEMOCRACY, MONITORING AND OPERATIONS

	Who benefits from and/or creates the need for this service? (Step 1)	Council modifications (Step 2)	Practical Considerations (Step 3)	How Funded
Objective 1: Democratic Process				
Councillors' costs; services which support and inform the democratic process	The community as a whole. Some large information requests benefit the user.	None	None	Rates Charges may be made for some large information requests.
Objective 2: Corporate Support				
Monitoring and operational support for Council services	Depends on the service	None	None	Allocated as overhead and funded in the same way as the service it supports.
Additional monitoring and operational needs due to extra legal requirements on local government and higher level of public scrutiny (e.g. preparation of a Funding Policy)	The community as a whole	None	None	Rates
Objective 3: Community Partnerships				
Advocacy and strategic partnerships	The community as a whole	None	None	Rates
Specific partnership programmes (e.g. Keep Waitakere Beautiful)	The community as a whole; other government and non-government agencies.	None	None	Rates External funding where appropriate
Objective 4: Iwi and Maori Partnerships				
Iwi and pan-tribal strategic partnerships	The community as a whole	None	None	Rates

INVESTING

This objective currently generates a cash surplus, which reduces the rate requirement.

3.2 URBAN VILLAGES

The Urban Villages pathway is about making sure people have choices about housing, transport, employment and recreation in their neighbourhoods and town centres. Its objective is to make the city a more vibrant enjoyable place to live and work, by creating attractive urban places where growth and economic development proceed with reduced impacts on the environment. These initiatives should occur within a framework which safeguards resources for future generations and takes account of the principles of the Treaty of Waitangi.

Activities in Urban Villages are structured into five objectives:

- Growth and Revitalisation
- Amenity and Heritage
- Access and Travel Choice
- Local Parks
- Community Buildings

3.2.1 OBJECTIVE 1 : GROWTH AND REVITALISATION

The City has a strong network of strong town centres and neighbourhoods which provide for economic and urban growth, enable services to be provided locally, and provide a mix of living, working and leisure opportunities.

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from other sources</i>
Town Centre Revitalisation (50% funded from business sector rates)	Resource Consents	Businesses or others who benefit directly may fund some town centre revitalisation work.
District Plan preparation		Developers and residents, or others who benefit directly, may fund some structure planning work.
Structure Plans		
Verbal advice and Information		

Council's activities in the Growth and Revitalisation objective fall into two main areas, which are analysed separately:

- Resource Management function relevant to urban growth and to city revitalisation
- The Town Centre Revitalisation function.

3.2.1.1 RESOURCE MANAGEMENT, AND PLANNING FOR GROWTH

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

District Plan and Resource Consents

The District Plan is prepared for the benefit of the community as a whole. Once in place the costs associated with processing resource consents - for both human and natural environments, are primarily for the benefit of the applicant and should be allocated to the applicant. Similar principles apply to building consent planning clearance and to certificates of compliance.

Subdivision Consents

Subdivisions are created mainly for private benefit. Costs associated with processing subdivision engineering plans and scheme plans are of direct benefit to the developer and should be allocated accordingly.

Structure Plans

Structure plans benefit the community currently living in the area covered by the structure plan, developers, and future residents. There is also a benefit to the community as a whole in terms of managing the effects of growth and achieving attractive urban environments. For areas identified by Council as a high priority, and of citywide importance, the costs should be allocated to the community as a whole. The costs of work undertaken in addition to, or in advance of, Council's scheduled work program should be allocated to current residents and developers.

Advice and Information

Advice and information primarily benefits the person asking for the advice and costs should be allocated accordingly.

Enforcement

The Council has an obligation, under the Resource Management Act 1991, to monitor, and where necessary enforce compliance with the provisions of the District Plan and the Act. This is generally for the benefit of the community although some costs can be recovered through court fines where exacerbators can be identified.

STEP 2 MODIFIED ALLOCATION OF COSTS

There is considerable scope for promoting Council's goals through the information and advice function however no modification of costs is proposed at this stage.

STEP 3 SELECTION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can be best met by a mix of user charges, fines, and rates funding. For structure plans, direct charges to those who benefit are another potential source of funding. There are practical problems in charging for giving verbal advice so for this reason verbal advice will be rates funded - shifting a small proportion of the cost of this function for users of the service onto the community as a whole.

3.2.1.2 TOWN CENTRE REVITALISATION

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Redevelopment of town centres benefits the users of the commercial centres, and businesses in and near town centres. However it also benefits the community overall to the extent that it increases the effectiveness of Waitakere's compact city policy (see step 2). This suggests that the costs of town centre revitalisation should be allocated to both the business sector and the community overall.

STEP 2 MODIFIED ALLOCATION OF COSTS

Town centre revitalisation contributes to promoting Council's strategic goals to achieve a more compact city and a more viable passenger transport system. By encouraging mixed uses and greater housing densities near town centres average trip lengths should reduce and passenger transport become more efficient and effective. Because town centre revitalisation is the linchpin of Council's urban consolidation and transport strategy the whole city benefits, including businesses in the immediate area and businesses in general. For this reason, 50% of the costs should be allocated to the community overall and 50% to the business sector. In some cases the work will be of particular benefit to specific ratepayers (usually a group of businesses in a particular town centre) in which case a fair proportion of costs may be allocated to that ratepayer group.

STEP 3 SELECTION OF FUNDING TOOLS

The great majority of costs in this area are capital costs associated with the creation of new assets in town centres. The allocation of costs arrived at in step 2 can best be met through capital expenditure (funded in accordance with Council's Capital Expenditure policy), with the costs allocated to rates, including a business sector contribution of 50% of the costs. If work is undertaken as a result of a specific request by a ratepayer group, Council may decide to fund the work jointly with businesses or other groups. Another option is for Council to fully fund the works but to recover the costs through a separate rate, with the appropriate level of such a rate will be determined on a case-by-case basis.

3.2.2 OBJECTIVE 2 : AMENITY AND HERITAGE

Town centres and neighbourhoods are attractive and enjoyable places, each with their own identity and valued heritage.

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from other sources</i>
<p>Work in Town Centres (50%) funded from business sector rates)</p> <p>Services delivered city-wide, including Council's contribution to graffiti removal by the Graffiti Trust.</p> <p>Heritage Buildings</p> <p>District Plan preparation</p> <p>Heritage and tree Resource Consents</p> <p>Verbal advice and information</p>	<p>Resource Consents (other than those required for heritage and for trees)</p>	<p>Graffiti work is undertaken by a trust which may seek other sources of funding in addition to Council's contribution.</p> <p>Council will investigate the option of a heritage trust, to widen the opportunities for funding of citywide heritage issues.</p>

Council's activities in the Amenity and Heritage objective fall into three main areas, which are analysed separately:

- Resource Management function relevant to amenity and heritage issues
- City Image services, including graffiti and litter control
- Council-owned heritage buildings

3.2.2.1 RESOURCE MANAGEMENT (AMENITY AND HERITAGE)

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

The Amenity and Heritage aspects of the District Plan are prepared for the benefit of the community as a whole. Once in place the costs associated with processing resource are primarily for the benefit of the applicant in most cases. The exception is for resource consents that relate to heritage matters and to trees. It is considered that the public benefits are so significant that the costs should be allocated to the public.

Advice and information primarily benefits the person asking for the advice and should be allocated accordingly.

STEP 2 MODIFIED ALLOCATION OF COSTS

There is considerable scope for promoting Council's goals through the information and advice function however no modification of costs is proposed at this stage.

STEP 3 SELECTION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can be best met by rates funding of District Plan preparation, and a mix of user charges, fines and rates funding for resource consents. Heritage and Tree resource consents should be funded from rates.

There are practical problems in charging for giving verbal advice so for this reason verbal advice will be rates funded - shifting a small proportion of the cost of this function for users of the service onto the community as a whole.

3.2.2.2 CITY IMAGE

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

The services provided by this sub function improve the general appearance of the City. Services which are delivered citywide benefit the community as a whole. Services in town centres benefit the community as a whole, and the business sector in particular. In the case of graffiti control, the costs can be attributed to offenders however it is rarely possible to identify the offenders. For this reason, the costs should be allocated to the community.

STEP 2 MODIFIED ALLOCATION OF COSTS

For the reasons stated above under Town Centre Revitalisation, 50% of the costs of City Image services in town centres should be allocated to the community overall and 50% to the business sector.

STEP 3 SELECTION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can best be met by rates. Some enforcement costs can be recovered through fines (so that it is only the net costs which need to be recovered from rates). A trust structure may be able to access sources of funding not available to Council, and the funding policy should not exclude this option.

3.2.2.3 HERITAGE BUILDINGS

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

The maintenance of heritage buildings benefits those who directly use the building, but also has benefits for the community as a whole in terms of preserving the City's character and history.

STEP 2 MODIFIED ALLOCATION OF COSTS

No modification of costs is proposed at this stage.

STEP 3 SELECTION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can best be met by a combination of rentals for users of Council-owned heritage buildings, and

rates. A trust structure may be able to access sources of funding not available to Council, and the funding policy should not exclude this option.

3.2.3 OBJECTIVE 3 : ACCESS & TRAVEL CHOICE

People can get easily and safely to where they need to go by walking, cycling, passenger transport, or private vehicle, and businesses can efficiently move their goods and services.

Funded from Rates	Funded from User Charges	Funded from other sources
Footpaths Kerb and Channel Most carparks Rooding costs not recovered from Transfund will be funded from rates. Costs relating to heavy vehicles are allocated to the business sector.	Some long stay carparking 47% of eligible capital works and 43% of related maintenance works will be recovered from Transfund.	Capital works required for growth will be funded by financial contributions. Some works may be funded by those who benefit, by grants or sponsorship or through a special rate.

Council's activities in the Access and Travel Choice objective fall into five main areas, which are analysed separately:

- Footpaths and Cycleways
- Roads
- Streetlights
- Road safety services and Traffic management
- Carpark provision and maintenance

3.2.3.1 FOOTPATHS AND CYCLEWAYS

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Provision of new footpaths

Most new footpaths are constructed in new subdivisions. Footpaths allow developers to create and sell new properties and to link the access to and from those properties. It follows that the cost of developing new footpaths as a consequence of new subdivisions should be allocated to the developers. The cost will then be capitalised into the price of the development. Currently most new footpaths in new subdivisions are constructed entirely at the developer's cost and, upon completion, are transferred to Council as a public asset.

In some circumstances Council may construct footpaths that are not related to new subdivisions - for example to provide access to railway stations. New footpaths will tend to benefit those who live in close proximity the most however footpaths are one of the classic examples of public goods. They are non-excludable (unless they are on private property it is not possible to stop anyone from using them), and non-rival (one person using a footpath does not prevent others from doing so). For

these reasons the capital costs of development of new footpaths (not related to new subdivisions) should be allocated to the community overall.

Cycleways are public goods for the same reasons as footpaths. However there is a specific benefit for car users in terms of providing an alternative mode of transport, reducing congestion, and allowing cycles to travel separately from cars. For this reason part of the cost of cycleways should be allocated to car users (via Transfund subsidies).

Maintenance of existing footpaths and cycleways

Once the footpath or cycleway has been constructed, it becomes part of the City's network and people have the legal right to travel on foot over public areas. People cannot be excluded from use and generally no rivalry for use exists. Also, direct cost allocation to users of the footpath is not feasible as it is not possible to identify the individuals that benefits from footpaths or cycleways. The cost of maintaining footpaths should be fully allocated to the community overall because there is no mechanism available to allocate costs to those who benefit. Car drivers should also contribute to the maintenance of cycleways.

Extension/upgrading of existing facilities

Good footpaths add to the general quality of the urban environment. Because the footpath system is a network, any enhancements progressively improve the overall network in accordance with Council's asset management plans.

In many circumstances, there may be a group of ratepayers who will benefit directly from a specific extension project. However, the asset management plan identifies what projects and in what priority those will be carried out. Such projects are determined according to a number of factors that focus on public good benefits such as safety issues, environmental impacts, etc.

As in previous sections, users cannot be excluded from use and no rivalry exists. Also, direct cost allocation to users of footpaths and cycleways is not feasible, as it is not possible to identify the individuals that benefit from them.

Consequently, costs of the capital expenditure incurred for the extension of the footpath and cycleway network should be allocated to the community overall.

STEP 2 MODIFIED ALLOCATION OF COSTS

Walking and cycling are the most basic land transport modes available to all at no or little cost. The provision of footpaths and cycleways caters for those who are transport disadvantaged in a car-oriented society, or those who choose healthier and less environmentally damaging transport modes. Footpaths and cycleways are a limited manner through which Council can ensure equal levels of access to facilities and services for all residents. These considerations reinforce the conclusions of step 1.

STEP 3 SELECTION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can best be met by funding maintenance of footpaths from general rates, using financial contributions to fund the provision of footpaths in new subdivisions (with developers constructing footpaths at Council-set standards), and funding all other capital expenditure in accordance with Council's capital expenditure policy, with the costs being met from rates. The funding of cycleways should include a component of subsidy from car drivers (via Transfund)

3.2.3.2 ROADS

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

The benefits of roads are quite complex and depend both on the type of road concerned (such as State Highway, arterial road, or local road) and the type of work or service performed. For the purposes of this policy a distinction has been made between:

- ◆ Maintenance of existing facilities (repairs, resealing and renewals);
- ◆ Provision of new facilities (roads, bridges, kerb and channel);
- ◆ Upgrading of existing facilities (including construction of intersection improvements, sealing of previously unsealed roads, and provision of kerb and channelling).

Maintenance of existing roads and facilities

The issue of whether roads are a public or private good has been the focus of substantial debate.

It is not only the people who travel on roads who benefit. Roads also provide vital networks for our cities. They structure city form and facilitate social and economic transactions. In addition to transport, road reserves are used for locating water, power and telecommunication infrastructure. Communities depend on roads for the transportation of vital goods and access to essential services. All these benefits can be seen as private benefits - but, with the exception of people travelling on roads, it is not usually possible to identify those who benefit (or exclude them from receiving benefits).

There are another set of benefits which are, however, true public benefits. Access is a fundamental right in the Bill of Rights. It is not possible to exclude people from using roads as pedestrians or cyclists. In addition roads are part of the city's public urban space and part of the urban amenity of the city. This is particularly true of neighbourhood roads, which in some circumstances can be a valuable community asset.

There are also negative environmental effects arising from the use of roads, such as air and stormwater pollution, noise pollution and erosion of the road surface.

This analysis suggests that the costs of maintaining existing facilities should be allocated to road users/drivers (as direct beneficiaries and exacerbators), to businesses and to the community overall. The

proportion of costs that should be allocated to each group depends on the type of road and the type of vehicle. Council believes, however, that road users should bear a minimum of 50% of the costs of maintaining roads (and in some cases more). The community should bear the rest of the cost - with the commercial/industrial sector bearing most of this cost due to the fact that heavy vehicles cause much more damage to roads than cars. Because of the practical constraints in achieving a greater allocation of costs to road users than under the status quo situation (see step 3) more detailed analysis is not provided here.

Heavy vehicles account for most of the wear and tear, and therefore the renewal and maintenance costs, on the city's roads. As heavy vehicles are used only by the commercial sector, these costs have been allocated to that sector.

Provision of new facilities

Most new roading facilities are constructed in new subdivisions. New roads, bridges, kerb and channel directly benefit developers by allowing them to create and sell new properties and link the access to and from those properties to the roading network. It follows that the costs of developing the roads and roading facilities as a consequence of new subdivisions, should be allocated to the developers. By allocating costs in this way it ensures that ratepayers who have already paid for their share are not expected to contribute towards the cost of providing new facilities to service new developments. Currently most new roads in subdivisions are constructed entirely at the developer's cost and, upon completion, they are transferred to the Council to maintain.

Where possible, Council will also recover the costs of roading works outside the subdivision which are needed to accommodate growth from developers in the area, through financial contributions.

Some roads located in new subdivisions are required to be built at a standard which provides for a greater level of use than is directly attributable to the subdivision. In this case the costs should be allocated not only to developers but also to both drivers and the wider community (with drivers bearing at least 50% of the additional cost).

Should Council decide to construct roads, the costs should be allocated to drivers (at least 50%), the community as a whole and developers of new subdivisions.

Upgrading of existing roads and facilities

Upgrading of existing roads and facilities is generally of primary benefit to the people driving on these specific roads, suggesting that road users should bear most of the cost of upgrading. However given that (at step 3) it is not possible to allocate costs to road users beyond the amount that can be recovered from Transfund it is worth considering whether costs should be allocated to the community as a whole - or to a particular group.

In many cases the people who live closest to the upgrade will benefit the most. However, because the roading system is a network, any such work progressively upgrades the overall network in accordance with Council's asset management plans. For this reason costs that cannot be recovered

from Transfund should be allocated to the community as a whole except where work is done in addition to or in advance of established priorities as a result of a request from a group of ratepayers. In these circumstances the costs should be allocated to such a group.

Kerb and channel upgrades pose slightly different issues. The benefits of this work are improved stormwater control, benefiting local residents and the community as a whole. There is little direct benefit to road users.

STEP 2 MODIFIED ALLOCATION OF COSTS

Roading is not a goal in itself - it facilitates access to people and goods. Council's strategy for Urban Villages recognises the need to create a city form which minimises the need for car-based trips, reduces the length of trips and increases the use of walking, cycling and passenger transport. Road use also has negative effects - including air, water and noise pollution, impact on communities and loss of amenity. It is important that the cost of roads is made explicit to those that use them - reinforcing the results of step 1.

A counter argument could be that because access is so fundamental to participation in social and economic activities that costs should be borne by the community as a whole. Council does not believe that "ability to pay" is a reason to modify the results of step 1, however it does consider that an attractive passenger transport system should be introduced (at a regional level) as a pre-requisite before user charges for roads can be increased.

STEP 3 SELECTION OF FUNDING TOOLS

Maintenance of existing facilities

The allocation of costs arrived at in step 2 cannot be met by legally available funding mechanisms. Council has no legal means of charging road users over and above the amount of subsidy which it receives from Transfund (43%).

Direct charging systems are used in some OECD countries via automatic vehicle scanning and SMART card technology. This new technology would allow sophisticated charging regimes based on time, vehicle type, and distance. The other, more commonly used form of charging system is road or bridge tolls.

It is not anticipated that direct charging will be introduced in New Zealand within three years. For this reason Council will continue to use the maximum level of Transfund subsidy and will fund the residual costs from rates.

Provision of new facilities

The allocation of costs arrived at in step 2 can best be met by levying financial contributions for the provision of new roading in new subdivisions, or by requiring developers to construct roading assets to standards set by Council. For capital expenditure that is not wholly related to new subdivisions costs should be recovered from developers (for those

costs that can be linked to the new development), Transfund subsidies and loans to cover any residual costs.

Upgrading of existing facilities

The allocation of costs arrived at in step 2 can be best met by utilising Transfund subsidies where available and funding residual costs from general rates. Transfund subsidies will fall short of the costs allocated to road users - but Council has no other legally available mechanism for charging road users.

When work is carried out because of a specific request of a group of ratepayers or when it is carried out in advance of the priorities specified in Council's asset management plans then costs can be allocated to the ratepayers requesting the work through direct payment or by using a special rate.

3.2.3.3 STREETLIGHTS

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Provision of new streetlights

Most new streetlights are installed by developers in new subdivisions and transferred to Council to maintain. Streetlights allow developers to enhance the attractiveness of their properties and make them more valuable. It follows that the costs of installing streetlights as a consequence of new subdivisions should be allocated to the developers.

In some cases Council installs new streetlights that are not related to a new subdivision. Motorists benefit from new streetlights due to accident reduction while users of footpaths and public areas benefit because of improved safety. The extent to which each type of user benefits partly depends on the quality of streetlight - low quality lights benefit car drivers more than pedestrians. Council considers that at least 50% of benefits accrue to motorists while up to 50% of benefits accrue to pedestrians. Because costs cannot be allocated to pedestrians they should be allocated to the community as a whole.

Maintenance of existing streetlights

This component of the expenditure presents similar issues to those of installation of new streetlights in existing areas. The costs should be allocated 50% to car users and 50% to the community as a whole.

Upgrading of existing streetlights

The upgrading of streetlights is carried out to ensure they continue to meet safety and security standards. Upgrading often involves improving the standard of streetlighting so that it benefits pedestrians as well as car users - suggesting that the capital expenditure incurred for upgrades should be split 50/50 between car users and the community as a whole.

STEP 2 MODIFIED ALLOCATION OF COSTS

There are no modifications proposed as a result of step 2 considerations.

STEP 3 SELECTION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can best be met by funding maintenance of streetlights from the Transfund subsidy (note that this is 43% rather than 50%) and rates; using developer contributions to fund the provision of streetlights in new subdivisions (with developers constructing streetlights at Council-set standards), and using Transfund subsidies and loans to fund all other capital expenditure. It should be noted that the 50% allocation of costs to car users will not be fully achieved because the Transfund subsidy is limited to 43%.

3.2.3.4 ROAD SAFETY SERVICES AND TRAFFIC MANAGEMENT

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Road safety services

Council's approach to road safety aims to combine safe road design with driver education and targeted campaigns aimed at children and others at risk. Road users benefit from traffic services which are designed to improve road safety. Road users also create the need for campaigns aimed at general road safety. This suggests that 100% of costs should be allocated to road users.

Traffic management

Traffic management services, including road markings and road signage, are provided to improve the flow of traffic and to meet the needs of road users.

STEP 2 MODIFIED ALLOCATION OF COSTS

Road safety services and Traffic management

There are no modifications proposed as a result of step 2 considerations.

STEP 3 SELECTION OF FUNDING TOOLS

Road safety services

The proportion of costs which can be recovered through Transfund varies across the wide range of services in this area. The Land Transport Safety Authority also funds local road safety programmes. Where costs cannot be recovered from Transfund, the Land Transport Safety Authority or other sources (such as grants and sponsorship) they will be funded from rates.

Traffic management

It is possible to recover 43% of costs only from road users through Transfund subsidies. The other 57% of costs cannot be recovered from road users and will therefore be allocated to the community and recovered through rates. Capital expenditure will be funded in accordance with Council's capital expenditure policy, with the costs of borrowing to be funded from rates.

3.2.3.5 CARPARK PROVISION AND MAINTENANCE (EXCLUDING PARK AND RIDE)

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Carparks are provided mostly in commercial areas for the benefit both of the people who park there and the business owners. Council believes that 50% of the benefits are to people who use the carparks and 50% to local businesses. Other carparks are provided for users of community facilities including parks and community buildings.

STEP 2 MODIFIED ALLOCATION OF COSTS

Except for long-term leasing of carpark spaces in Henderson, Council currently does not charge for carparking. Council believes that car parking charges may encourage people to shop outside Waitakere City which would have a negative impact on local businesses and would increase the length of vehicle trips.

On this basis, the Council has decided it would not be in the best interests of residents and ratepayers to allocate costs to people using carparks (except for the Henderson long-term leases), and has decided to allocate these costs to the community as a whole.

STEP 3 SELECTION OF FUNDING TOOLS

At this time carparking costs will continue to be recovered through rates with the exception of long-term leases in Henderson.

3.2.4 OBJECTIVE 4: LOCAL PARKS

Citizens have easy access to a safe and attractive local park.

Funded from Rates	Funded from User Charges	Funded from other sources
Parks operations and maintenance		Parks in new subdivisions, as well as improvements to local and citywide parks needed to cope with growth, will be funded from financial contributions.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Local parks generate a wide range of benefits to the community as a whole as well as to the individuals who use them. In general terms the community overall benefits from the ecological role that parks perform and from the enhanced attractiveness of the city, while private individuals benefit from the use of parks for leisure and recreational purposes. However, although parks provide a significant private benefit it is not feasible or desirable to exclude people from using parks. In fact, to ensure

that benefits are maximised it is desirable to ensure that as many people as possible use the city's parks. For this reason the costs associated with maintenance of passive amenity areas should be allocated to the community as a whole.

Capital costs for new open space to meet Council's standards of provision should be allocated to property developers because new development results in more intensive use of the city's parks facilities - creating demand for additional or improved facilities.

As the nature of development in the City changes to a higher density, priorities for parks spending will also change. There will be an emphasis on quality rather than quantity. Financial contributions could be used to improve facilities on existing parks or to provide for small neighbourhood parks rather than being used for purchase of land. These issues are currently being considered in detail and will be proposed as a variation to the district plan.

STEP 2 MODIFIED ALLOCATION OF COSTS

There are no modifications proposed as a result of step 2 considerations.

STEP 3 SELECTION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can best be met by funding operational costs associated with local parks from rates. Capital costs to provide for new parks or parks facilities needed because of population growth should be funded from financial contributions. Capital costs to meet existing needs should be funded from loans and rates in accordance with Council's Capital Expenditure policy.

3.2.5 OBJECTIVE 5: COMMUNITY BUILDINGS

To provide a citywide network of appropriate and accessible public buildings, which are key community focal points.

Funded from Rates	Funded from User Charges	Funded from other sources
Community Centres (part), community houses and halls	Community Centres (part)	

STEP 1: ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Community buildings provide both public and private benefits. The level of public and private benefits differs with different uses; some uses of halls (eg. Weddings, 21st birthdays) are primarily private benefits provided in direct competition with the private sector. However the use of community buildings by non-profit community groups gives a significant public benefit. Use by social service groups which exist to provide a service to the local community, is still more a public benefit.

STEP 2 MODIFIED ALLOCATION OF COSTS

Council views its network of community buildings as an important part of its Urban Villages strategy, providing useful public space in key locations as well as an important service to community groups. The availability of appropriate and affordable buildings for community use is a key factor in the survival of some community groups. This would support a higher level of rates funding that that arrived at in Step 1.

STEP 3 SELECTION OF FUNDING TOOLS

The allocation of costs arrived at in Steps 1 and 2 are best met through a combination of rates and user charges. The level of user charges should vary according to the nature of the group using the facility, with private groups paying more than community groups, and social service groups paying only a small contribution towards costs.

3.3 PASSENGER TRANSPORT

Managing growth and associated traffic congestion is a major problem for Waitakere City. The Passenger Transport Pathway is about developing a viable passenger transport system that is integrated with the existing network of roads and town and neighbourhood centres in order to help achieve desired growth patterns and make it easy for citizens to get around the region.

Activities in Passenger Transport are structured into two objectives:

- Passenger Transport – General
- Rail, Bus and Water Transport

3.3.1 OBJECTIVE 1: PASSENGER TRANSPORT – GENERAL

The city’s transport needs are planned for in a way that encourages passenger transport and takes advantage of regional initiatives. People are well informed about transport options and understand the true cost of their travel choices.

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from other sources</i>
Passenger Transport planning, including Waitakere City Council's share of regional passenger transport planning and monitoring initiatives.		Some funding may be available from Transfund or Infrastructure Auckland for regional passenger transport planning.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Regional plans to significantly improve the level of passenger transport available in the Auckland Region will benefit the community as a whole, including road users and businesses, through reduced congestion. Passenger transport also reduces negative environmental effects of cars and is compatible with improved urban form. This suggests that the costs of planning for passenger transport, including involvement in regional initiatives, should be allocated to road users, businesses and to the community as a whole.

STEP 2 MODIFIED ALLOCATION OF COSTS

Council’s strategic direction is to support the local economy through a range of initiatives including improved passenger transport and better regional transport planning. In the long term this policy is expected to benefit residents, through improved access to local jobs. For this policy reason, the business sector’s share of the costs of passenger transport planning are set as equal to those of the community as a whole, allocated on the basis of land value.

However Council's policy is that, in principle, road users should fund a higher proportion of the costs of passenger transport planning than the community as a whole.

STEP 3 SELECTION OF FUNDING TOOLS

There is no subsidy available from Transfund to support these activities. For this reason Council has no legal means of recovering costs from road users. This means that the allocation of costs arrived at in step 2 cannot be achieved and that all direct costs to Council must be allocated to the community as a whole and recovered through rates.

However many of the activities in this objective represent Council's particular contribution to regional and/or national projects which tap into a wide range of funding sources, including Transfund. For these projects, the direct cost to Council represents a very small proportion of the cost of the project as a whole.

3.3.2 OBJECTIVE 2: PASSENGER TRANSPORT - GENERAL

Rail, Bus and Water Transport

To develop linked systems of bus, rail and water transport in order to reduce reliance on cars and to provide good facilities including park and ride, bus shelters, rail stations and wharves in order to support these services.

Funded from Rates	Funded from User Charges	Funded from other sources
Bus shelter construction and maintenance Costs associated with park and ride		Council will continue to lobby central government to enable road user charges to be used to fund bus shelters and other passenger transport facilities. Some passenger transport facilities, including Park and Ride, may in future be funded by Infrastructure Auckland. Some rail station upgrades and rail projects are undertaken in cooperation with TranzRail

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

The provision of passenger transport facilities benefits people who use passenger transport, other drivers who have less congested roads, and the community as a whole to the extent that passenger transport reduces negative environmental effects. This suggests that costs should be allocated between the three groups.

The majority of Council's current costs in this area relate to bus shelters, although significant future expenditure is planned for park and ride.

Council also undertakes some projects aimed at increasing use of rail transport. In these cases Council will work with the private operator TransRail and with the Regional Council (which subsidises rail transport) to arrive at a fair allocation of costs, with only expenditure which benefits local road users and the community as a whole being funded from rates.

STEP 2 MODIFIED ALLOCATION OF COSTS

As a result of step 2 considerations Council has decided that people who use passenger transport should not bear any of the cost of bus shelter and park and ride facilities for two reasons.

1. Council has a commitment to promoting adequate access to passenger transport, reducing the number of car-based trips and reducing the length of trips. Facilities that support passenger transport are important to achieving this aim.
2. Often people who use passenger transport are economically and/or physically disadvantaged compared with car drivers. For equity reasons Council believes that passenger transport should be priced at a level that everyone can afford.

These considerations warrant reallocating costs from passenger transport users to both the community as a whole and to car drivers.

STEP 3 SELECTION OF FUNDING TOOLS

There is no subsidy available from Transfund to support the majority of these activities. For this reason Council has no legal means of recovering costs from road users. This means that the allocation of costs arrived at in step 2 cannot be achieved and that all costs must be allocated to the community as a whole and recovered through rates. Some specific projects may however be able to attract Transfund subsidies.

3.4 SUSTAINABLE BUSINESS

The Sustainable Business Pathway is about attracting and supporting local business. Growing the local economy means building on the City's strengths and being ready for new opportunities in the rapidly changing world of business. It's also about developing a more skilled and diverse workforce and encouraging self-reliance and flexibility. Ultimately the aim is to provide more and better local employment opportunities.

Activities in Sustainable Business are structured into three objectives:

- Strong local economy
- Supporting existing business
- Attracting new business

3.4.1 OBJECTIVE 1: STRONG LOCAL ECONOMY

The City has a strong, adaptable and sustainable local economy and more local jobs available.

Funded from Rates	Funded from User Charges	Funded from other sources
Policy and advocacy work, support for tourism	Some services delivered by Enterprise Waitakere are covered, wholly or partly, by user charges, Central Government funding and/or sponsorship.	

Activities in Strong Local Economy fall into three main areas:

- Policy and advocacy work undertaken by Council
- Tourism, including services delivered by Enterprise Waitakere and membership costs for Tourism Auckland

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Policy and Advocacy

Council undertakes policy work to improve its own, and others' understanding of the local economy and makes a range of information available to local businesses on these issues. Council is also involved in advocacy and liaison activities which aim to strengthen local business. While the business sector as a whole benefits from these services identifying individual users and charging them would reduce the overall effectiveness of this activity. There are also community wide benefits from the increase in economic activity resulting from business growth.

Tourism

Tourism is a major growth area internationally and nationally, and Council considers the development of tourism to be a high priority in terms of strengthening the local economy. Services delivered by Enterprise Waitakere aim mainly at building local tourism product; ensuring that tourists who come to Waitakere have a wide range of things to see and do. Council's membership of Tourism Auckland gives benefits in terms of marketing the City as a tourist destination. These activities benefit tourism businesses (and their employees) and the community as a whole.

STEP 2 MODIFIED ALLOCATION OF COSTS

Council's strategic direction places a strong emphasis on growing the local economy in order to increase local jobs. A wide range of flow-on benefits will accrue to residents from having more opportunity to work locally; the city would also avoid many of the environmental and social costs caused by residents travelling long distances to work. As part of this policy, Council allocates the costs of its Sustainable Business activities to the community as a whole and does not apply a business sector differential.

STEP 3 SELECTION OF FUNDING TOOLS

These activities will be funded from rates.

3.4.2 OBJECTIVE 2: SUPPORTING EXISTING BUSINESS

Existing businesses are assisted to find the support they need and are encouraged to make the most of their opportunities.

Funded from Rates	Funded from User Charges	Funded from other sources
Business Survey Council's contribution to Enterprise Waitakere services.	Some services delivered by Enterprise Waitakere are covered, wholly or partly, by user charges, Central Government funding and/or sponsorship.	

Most activities in Supporting Existing Business are undertaken by Enterprise Waitakere. The exceptions for 2000/01 are the Business Survey and the Building Consent One Stop Shop.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Business Survey

This survey gives local businesses the opportunity to state what they feel Council should be doing, and gauges the opinion of the business sector on a wide range of issues from general business confidence to specific services of Council and of Enterprise Waitakere. This survey benefits local businesses and the community as a whole.

Enterprise Waitakere Services

The Waitakere Enterprise Trust Board provides a range of services to existing businesses and to individuals. Services which may be funded in whole or in part by Council include:

- Advisory services and training courses for businesses;
- Programmes aimed at nurturing business clusters within Waitakere City;
- Support of Council programmes such as town centre revitalisation;
- Promotion of the eco-city vision and its economic advantages to businesses.
- Employment skills development courses for long-term unemployed people with no formal qualifications.

Employment skills courses provide a mix of private and public benefits. The attendees are provided with new skills to raise their employment prospects while businesses and the community overall benefit from the positive economic impact of upskilling the workforce and reducing the social problems associated with unemployment. At present all training courses are funded from central government.

Services delivered to business also provide a mix of public and private benefits. Business owners and operators who use Enterprise Waitakere advisory services and training courses benefit from these services. Businesses and the community overall benefits from the increase in economic activity resulting from business growth.

STEP 2 MODIFIED ALLOCATION OF COSTS

Ability to pay is a critical issue in determining access to Enterprise Waitakere services:

- The people attending skills training programmes tend to be financially and educationally disadvantaged and any user charges are likely to make the course unaffordable.

- Also, the business advisory services are particularly important for the owners of small businesses and people considering starting a business venture. Charges may discourage the use of the services while creating a financial disincentive that may prevent the promotion of Council's business development policies.

Note: Step 1 and 2 considerations show that for some services it is appropriate to allocate costs of some services to the direct users. However it is assumed that as the Trust operates at an arms length from Council, the Trust is responsible for assessing the degree to which it is appropriate for the private user to bear any costs. Any contribution requested from Council is therefore assumed to reflect the public good component of the service.

As part of its strategy of providing for economic growth and local jobs, Council allocates the costs of its Sustainable Business activities to the community as a whole and does not apply a business sector differential.

STEP 3 SELECTION OF FUNDING TOOLS

This activity is funded from rates.

3.4.3 OBJECTIVE 3: ATTRACTING NEW BUSINESS

To ensure the City captures an increasing share of the region's business investment.

Funded from Rates	Funded from User Charges	Funded from other sources
Business attraction and city promotion		

Activities in this objective cover general publicity and promotion activities by Council and by Enterprise Waitakere, and provide for staff of both organisations to spend time working with potential investors.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

While the business sector as a whole benefits from these services it is not possible to identify and charge individual users without detracting from the overall effectiveness of the services. There is also a community wide benefit from the increase in economic activity resulting from business growth. The costs of these services should be allocated to the community as a whole.

STEP 2 MODIFIED ALLOCATION OF COSTS

As part of its strategy of providing for economic growth and local jobs, Council allocates the costs of its Sustainable Business activities to the community as a whole and does not apply a business sector differential.

STEP 3 SELECTION OF FUNDING TOOLS

This activity is funded from rates.

3.5 WELLBEING SUPPORT

The Wellbeing Support Pathway groups together a diverse range of services which impact on the health and wellbeing of the City’s residents. Activities in this pathway are structured into seven objectives:

- Strong and cohesive communities
- A safe and supportive environment for children
- Community safety and accessible health and support services
- Leisure facilities and services that meet people’s needs
- Library, education and information services that meet people’s needs
- Access to appropriate housing
- Protection from nuisance and hazards

3.5.1 OBJECTIVE 1: STRONG COMMUNITIES

There are vibrant, strong and cohesive communities in the City, supported by effective networks.

Funded from Rates	Funded from User Charges	Funded from other sources
Policy and advocacy work Community liaison and support Arts and events		The Council inherited \$1.456m from the previous Auckland Regional Services Trust, which is available to fund arts. Some events attract significant external funding and/or sponsorship.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Policy and Advocacy; Community Liaison and Support

Council undertakes policy work in support of the local community. Council also takes a strong advocacy role on behalf of the residents of the City. These activities are to the benefit of the community as a whole.

Council also has strong formal and informal partnerships with key community groups and supports some important community initiatives including graffiti control, Keep Waitakere Beautiful. Although these partnerships focus on particular groups within the community, the work done by these groups benefits the whole community. This indicates that the most appropriate method of funding these services is from general rates.

Arts and Events

Arts and events contribute to society by enhancing social cohesion, education and building a sense of community identity. These are public benefits.

There are benefits also for private individuals, specifically the artists, cultural groups, audiences and retailers who participate in events.

It is estimated that the benefit split of the costs incurred by Council is 75% to the community and 25% to private individuals, although this may vary from event to event. The costs of organising and facilitating these programmes should be allocated to both groups in those proportions.

STEP 2 MODIFIED ALLOCATION OF COSTS

Arts and Events

Council wants to ensure that all sectors of the community have the ability to participate in arts and events related services. For some people ability to pay may be an issue. For reasons of fairness and equity Council has decided that for some events a higher proportion of the cost should be allocated to the community.

STEP 3 SELECTION OF FUNDING TOOLS

Policy and Advocacy; Community Liaison and Support

Policy and Advocacy work will be funded from rates.

Council’s contribution to community projects will be funded from rates, though these groups may also use other sources to fund their work.

Arts and Events

The allocation of costs arrived at in step 2 for arts and events is best met by a combination of user charges and rates with user charges set at a level that supports Councils objectives for that particular event. Council will proactively seek sponsorship for its events to minimise the impact on rates.

3.5.2 OBJECTIVE 2: A SUPPORTIVE ENVIRONMENT FOR CHILDREN

There are plenty of safe places, facilities, services and opportunities for children and young people in Waitakere City.

Funded from Rates	Funded from User Charges	Funded from other sources
First Call for Children Policy and programmes		

STEP 1: ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

First Call for Children is a specific area of policy and advocacy work which Council wishes to highlight as a separate objective. These activities are to the benefit of the community as a whole.

STEP 2 MODIFIED ALLOCATION OF COSTS

There are no modifications as a result of Step 2 considerations

STEP 3 SELECTION OF FUNDING TOOLS

This activity is funded from rates.

3.5.3 OBJECTIVE 3: COMMUNITY SAFETY HEALTH AND SUPPORT

The city has a comprehensive range of safety, health and support services which are accessible, affordable and appropriate for all groups. Crime and injury in the City are reduced and people have access to help in times of need.

Funded from Rates	Funded from User Charges	Funded from other sources
Policy and advocacy work Council's support for CABx Council's support for community projects and partnerships.		The CAB network has some minimal Central Government funding. Some community partnerships attract external funding and/or sponsorship.

STEP 1: ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

All the community safety and support services that Council provides have both public and private benefits - in varying proportions depending on the particular service involved.

For CABx the public benefits are similar to some of the benefits of libraries in that CABx are a major source of information provision - assisting to create a more informed community and assisting people to participate in society. The individuals who use these services also benefit, suggesting that the costs should be allocated between the community and users of the service.

Council (in partnership with central government) is involved in the provision of a range of programmes through Safe Waitakere aimed at improving safety in the home, in the city, and on the roads. These programmes benefit everyone in the community by making Waitakere a safer place to live and work. It is also not possible (or desirable) to exclude anyone from receiving the benefits of the programme and the (Council funded share of) the costs should be allocated to the community as a whole.

STEP 2 MODIFIED ALLOCATION OF COSTS

Council's reason for supporting CABx is to ensure that everyone, regardless of income, has access to basic information which is fundamental to participating in society. There would be considerable resistance to any suggestion that users should be made to pay for what is seen as an essential service. This suggests that the results of step 1 should be modified and 100% of the costs of this service should be allocated to the community as a whole. However Council's view is that

the current level of Central Government funding of this service is too low and should increase.

STEP 3 SELECTION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can best be met by funding Council's component of these services from rates. Council will advocate for increased Central Government funding of CABx.

3.5.4 OBJECTIVE 4: LEISURE OPPORTUNITIES

A comprehensive range of leisure, recreation and sports service and facilities are provided.

Funded from Rates	Funded from User Charges	Funded from other sources
Policy and advocacy work Aquatic centre (part) Citywide Parks Operating Costs of Sportsfields Recreation and holiday programmes (part)	Aquatic Centre and Recreation Centre (part)	Some events attract significant external funding and/or sponsorship. Some capital costs of sportsfields are recovered from financial contributions.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Aquatic and Recreation Centres; Massey Facility

Private benefits of the Aquatic Centre are derived from casual or regular use of the pool.

The Aquatic Centre also has benefits which accrue to the public in general. These include:

- ◆ The community as a whole benefits from facilities which increase leisure opportunities in the city and help create a healthier community.
- ◆ Many of the users of these facilities are the city's youth. The community as a whole benefits from youth involvement in sports. The more the city's youth are involved in organised activities such as sport the less likely they are to become involved in crime and other "antisocial" behaviour.

Public benefits accrue also because the facility was built to international standards, providing the community with a facility that attracts visitors to sporting events.

This analysis suggests that the operating costs of the aquatic centre should be allocated in the rough proportions of 75% to the users and 25% to the community as a whole, while the debt servicing and depreciation costs (which are high and reflect the quality of the facility), should be allocated to the community.

The indoor and outdoor stadium developments will provide significant benefits, primarily to user groups and individual users.

Costs relating to the capital expenditure incurred by Council for all these services should be allocated over the life of the asset to those who benefit.

Holiday and Recreation Programmes

For recreation programmes run by Council the main public benefits arise from providing opportunities for people to participate in activities that improve mental and physical wellbeing. Again the people who participate in these programmes also benefit. The public benefits are similar to those provided by the aquatic centre so to be consistent a similar allocation of costs should be applied at step 1 - i.e. 75% private users, 25% to the community as a whole.

For after school and holiday programmes the main public benefits include enhancing the opportunities for parents (particularly women) to take part in the workforce. Again there are significant private benefits to the children taking part in the programmes and to their parents. The mix of public and private benefits is similar to those identified for recreation programmes and costs should be allocated accordingly.

Sportsfields

Sportsfields provide significant private benefits to the associations and clubs using those fields. In general the more fields are used the higher the maintenance costs and/or the more facilities that have to be provided (i.e. sportsfields are rival in that one club's use will affect another club's use). Sportsfields are also excludable because it is possible to prevent clubs and associations from using sportsfields for organised sport.

Sports fields also, however, have a range of public benefits; benefits to the community as a whole and/or benefits to individuals who cannot be prevented from receiving those benefits. These include:

- ◆ Sportsfields form an important part of public open space and generally improve the amenity of the city.
- ◆ Individuals and groups use sportsfields on a casual basis - for walking, jogging, and casual sport. It would be highly undesirable to fence-off sportsfields so that they could not be used in this way.
- ◆ The community as a whole benefits from facilities which increase leisure opportunities in the city and help create a healthier community.
- ◆ Many of the users of these facilities are the city's youth. The community as a whole benefits from youth involvement in sports. The more the city's youth are involved in organised activities such as sport, the less likely they are to become involved in crime and other "antisocial" behaviour.

This analysis suggests that the costs of maintaining sportsfields should be allocated between the community as a whole and associations/clubs using the facilities. The share allocated to the community will include all

the costs of maintaining the “parks aspect of the sportsfields” (for example the sportsfield would still have to be mowed if it was not used as a sportsfield - but it would not have to be mowed as often) and some of the remaining costs. The public benefits are higher than those provided by the aquatic centre so to be consistent a similar but lesser allocation of costs should be applied at step 1 – i.e. 50% private users, 50% to the community as a whole.

Capital costs should be funded in a similar way. For sportsfield upgrades the private benefit will tend to be larger, as the upgrades relate to active recreation rather than to the “open space” aspect of the sportsfields. Capital costs associated with these private benefits should be borne by the users. The rest of the costs should be allocated to developers for the same reasons as outlined in the parks section - i.e. new developments place pressure on existing parks and associated facilities and are, therefore, the reason that upgrades are required.

STEP 2 MODIFIED ALLOCATION OF COSTS

Aquatic and Recreation Centre; Massey Facility

Council’s Leisure Strategy emphasises the need to maximise opportunities to participate in leisure and recreation as a key goal. Council takes into account the fact that many users of the Aquatic Centre are youth and may be constrained by ability to pay.

Council will seek to fund capital expenditure associated with the Aquatic Centre redevelopment, the Indoor and Outdoor Stadiums and the Massey Facility from sponsorship, partnerships and asset sales, to minimise the impact on rates. While this will alter the allocation of costs to the community from that arrived at in stage 1 this will not be at the expense of any other party.

Recreation and Holiday Programmes

For recreation, after school and holiday programmes cost recovery has, in the past, averaged about 40% (excluding cost of capital). This is lower than the 75% suggested at step 1 but can be justified on equity grounds - to ensure that “ability to pay” is not an impediment to accessing these services.

Sportsfields

Council considers that there are issues of equity and Council policy which could modify the allocation of costs.

1. Ability to pay

Council’s Leisure Strategy emphasises the need to maximise opportunities to participate in leisure and recreation as a key goal. Because many users of sportsfields are youth and low income members of the community who may be constrained by “ability to pay”, Council will take this into account in determining the allocation of costs between users and the community. Extensive consultation with the user community has indicated very strongly that these

organizations believe the sportsfields should be freely available to organised sport and that participation will suffer if this is not so.

2 *Relativity with other Councils*

While most other City Councils in the Auckland Region do charge for sportsfields, the user charges are relatively low. North Shore City no longer charge for the use of sportsfields. If Waitakere City Council introduced charges it should not set them higher than other Councils because this would discourage groups from using local facilities and would encourage them to travel out of the City to use cheaper sportsfields elsewhere, which is not the intention of Council.

The equity considerations and the low charges applied elsewhere, suggest that the cost of sportsfields should be borne by the community as a whole.

STEP 3 SELECTION OF FUNDING TOOLS

Aquatic and Recreation Centres; Massey Facility

The allocation of costs arrived at in step 1 for the aquatic centre can best be met by user charges to cover most of the operating costs and general rates to cover the costs of debt servicing, depreciation and any other shortfall.

The allocation of costs of capital expenditure for leisure facilities can best be met by loans funding except where this would result in a significant increase in rates. In this case alternative sources of funding will be sought, including sponsorship, partnerships and the sale of non-strategic assets.

Sportsfields

The allocation of maintenance costs arrived at in Step 2 can best be met by rates funding.

Capital costs associated with developing and upgrading sportsfields will be funded in accordance with Section 3.1.

3.5.5 OBJECTIVE 5: LIBRARY, EDUCATION AND INFORMATION SERVICES

Library, education and information services and facilities are affordable, accessible and meet local needs.

Funded from Rates	Funded from User Charges	Funded from other sources
Libraries Provision of verbal advice and information. General information requests. Advocacy for education	Some specific library services eg. best seller collection, internet, CD and video collections Land Information Memoranda	

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Libraries

Library services produce a mix of private and public benefits. People who use library services benefit directly as libraries fulfil important leisure, recreation and education roles. Library services also provide a range of reference sources for business decision making which benefits the users of this service.

The community as a whole also benefits considerably from the services provided by library - in the following ways:

- ◆ The use of library services as a positive recreational pursuit which may help reduce social problems in the community;
- ◆ Library services help promote life-long learning and a more educated public;
- ◆ Library services provide opportunities for people to engage in democratic and political processes.

A recent study undertaken by Coopers and Lybrand found that the economic and public benefits of libraries are significant.

These considerations suggest that the costs of library services should be allocated both to the direct users of library services and to the community as a whole - with the actual allocation depending on the characteristics of the particular service being provided. For example, costs of information related services aimed at facilitating the democratic process should be allocated to the community as a whole, while the cost of services for business decision making should be allocated to the user.

Items not returned on time impose a cost on library services as they affect the efficient turnover of stock. This suggests that costs relating to overdue items should be allocated to the borrower.

Capital expenditure should be allocated to the user and community over the life of the assets in the same proportion as the benefit allocation above.

Property Information

The service is principally provided to serve those seeking property based information from Council. It is the particular person involved in requesting the Land Information Memorandum (LIM) or property file who benefits from the information. The costs associated with this function should, therefore, be allocated to the direct users of the service

Some Councils have started allocating costs of community facilities such as libraries and community centres to developers as part of their district plan, developer contribution policies. It has been argued that as the population increases additional people place pressure on the City's facilities and that it is unfair for existing ratepayers to have to pay for upgrading or for new facilities. Further work on developer contributions is currently programmed for 2000/01 after which Council may decide to amend its Funding Policy.

STEP 2 MODIFIED ALLOCATION OF COSTS

Libraries

Council believes that there are fairness and equity considerations which warrant allocating a much larger share of the costs to the community as a whole. "Ability to pay" is a key issue. Previous public consultation undertaken by Council has revealed that people feel very strongly that traditional library services should be free. Public libraries are institutions that have the responsibility for meeting the information needs of the public; in particular those that have no alternative access or who cannot afford to use other sources. New Zealand is a signatory to UNESCO declarations supporting universal access to libraries and library material at local and regional levels.

The same strength of public feeling does not apply to non-traditional library services such as CDs, videos and the "Best Seller Collection".

These equity considerations suggest that the cost of most library services should be allocated to the community as a whole. This modification does not apply to the costs allocation for services relating to business decision making, overdue books, CDs, videos, tapes, Internet, CD-ROM, interloans and data-searches.

STEP 3 SELECTION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can be best met by a mix of rates funding, user charges and fines.

3.5.6 OBJECTIVE 6: ACCESS TO APPROPRIATE HOUSING

A wide range of affordable and accessible housing options are available for City residents.

Funded from Rates	Funded from User Charges	Funded from other sources
Policy and advocacy work		

Council is reviewing its role in housing in the 2000 calendar year. This review will include a thorough review of Housing for Older Adults, and may result in amendments to the Funding Policy below. Note that the costs associated with this housing sit within the Investing Pathway.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Housing for Older Adults

The benefits of this service accrue principally to the tenants of the housing. There are also some public benefits to the extent that the service satisfies the community's desire to cater for the needs of older persons. Council's 1995 Funding and Rating policy estimated that the public benefits account for approximately 20% of benefits.

This suggests that 20% of the costs should be allocated to the community as a whole and 80% to tenants.

STEP 2 MODIFIED ALLOCATION OF COSTS

While there are some public benefits the key issue in determining the allocation of costs is equity - including "ability to pay". Adequate accommodation is an essential service. The accommodation is targeted at older people who are not financially well off. The "ability to pay" issue may, however, be addressed to some extent through the accommodation supplement if Council was to increase rentals.

In considering equity it is also necessary to take into account equity between Older Adults and others on benefits. Subsidising Housing for Older Adults to a greater extent means that older adults are better off relative to others receiving a benefit.

With the change in government, there are likely to be changes made to current housing policy, which will affect rentals for state provided housing. This issue is being picked up as part of the Housing Review.

While there are some public benefits associated with this service and ability to pay issues for some groups in the community, Council has signalled that it does not wish ratepayers to fund this service.

STEP 3 SELECTION OF FUNDING TOOLS

Council's policy is that the operating costs of this service are funded on a cost recovery basis.

3.5.7 OBJECTIVE 7: PROTECTION FROM NUISANCES AND HAZARDS

Citizens of the City have a safe and healthy environment.

Funded from Rates	Funded from User Charges	Funded from other sources
Environmental health and safety (part)	Environmental health and safety (part)	Fines are a source of some funding for Animal Control, and to a lesser extent building control and resource management.
Advice and information related to building control, resource management and other issues	Building Control	Permit fees apply in some cases for the Rural Fire service, and occasionally also fines.
Regulatory costs which cannot be recovered from consent fees and fines	Resource Management	Council will investigate potential sponsorship and government funding for animal control costs
Animal control costs which cannot be recovered from dog registration fees or fines	Animal control and welfare (some rates subsidy)	
Park and heritage aspects of the Cemetery and Crematorium, and a subsidy to Returned Servicemen	Costs associated with burial and crematorium services	
Civil Defence		
Rural fire (most of)		

Activities in Protection from Nuisances and Hazards fall into six main areas:

- Building Control
- Resource Management
- Environmental Health and Safety
- Animal Control and Welfare
- Property information
- Cemetery and Crematorium
- Civil Defence
- Rural Fire

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Building Control

Building consents ensure minimum standards of building safety and health. However these public benefits are recognised in the legal requirements and it the responsibility of the applicant to ensure their building is healthy and safe. For this reason the consent process can be seen as being of primary benefit to the applicant as it enables the applicant to meet their legal requirements, suggesting that the applicant should bear the cost of consent processing and inspections.

The enforcement component of this function involves responding to complaints and ensuring statutory compliance in situations not covered by building consents. Where the people responsible for costs can be identified (for example someone who has not obtained a building consent as required) the costs should be allocated accordingly. Most costs can not be attributed to those responsible and as enforcement is generally for the benefit of the community the costs should be allocated to the community.

Advice and information primarily benefits the person asking for the advice and should be allocated to the person/s asking for advice.

Resource Management

The District Plan is prepared for the benefit of the community as a whole. Once in place the costs associated with processing resource consents are primarily for the benefit of the applicant and should be allocated to the applicant. Similar principles apply to building consent planning clearance and to certificates of compliance. The exception is for resource consents that relate to heritage matters and to trees. It is considered that the public benefits are so significant that the costs should be allocated to the public.

Subdivisions are created mainly for private benefit. Costs associated with processing subdivision engineering plans and scheme plans are of direct benefit to the developer and should be allocated accordingly.

Advice and information primarily benefits the person asking for the advice and should be allocated accordingly.

The Council has an obligation, under the Resource Management Act 1991, to monitor, and where necessary enforce compliance with the provisions of the District Plan and the Local Government Act. This is generally for the benefit of the community although some costs can be recovered through court fines where exacerbators can be identified.

Environmental Health and Safety

Water quality testing and notifiable infectious diseases generate public benefits and the cost should be allocated to the community as a whole.

Enforcement of legislation relating to nuisances and bylaws is for the benefit of the public and costs should be allocated to the community as a

whole except where exacerbators can be identified (such as noise offenders).

Costs associated with licensing and inspection for health (food and hygiene), sale of liquor, dangerous goods and hazardous substances benefit the applicants/individuals involved enabling them to meet legislative requirements.

Animal Control and Welfare

Dog owners need to comply with legislation in relation to dog registration. Dog owners are the main beneficiaries of the expenditure associated with the dog registration system, hydatids control, and owner education. All expenditure associated with these activities should be allocated to dog owners.

Costs of impounding should be allocated to the animal owners causing those costs to be incurred. Where it is not possible to identify owners (for example because of unregistered dogs) it is considered that costs should be allocated to the community in general as these activities benefit the community as a whole.

Costs of complaints should, under the principle of “exacerbator pays”, be recovered from the owner of the dog being complained about.

Cemetery and Crematorium

Most of the benefits of the function are private benefits which accrue to the relatives and friends of the deceased. Expenditure from this function also yields three types of public benefits:

- ◆ Benefits derived from enabling cultural values to be upheld and health standards to be met.
- ◆ Benefits from the maintenance of heritage buildings (e.g. chapel).
- ◆ Benefits from the park aspects of the cemetery.

The outcome of this analysis suggests that most of the costs of this function should be allocated to private users with a small share allocated to the community overall.

The principle of intergenerational equity suggest that the capital expenditure should be allocated to private users, over the life of the asset.

Civil Defence

The availability of a civil defence organisation benefits the community as a whole as the service deals with the development of contingency plans. From this standpoint, the costs of the function should be allocated to the community overall.

An exception relates to expenditure incurred in providing assistance to businesses in developing their civil defence plans as they need to comply with Section 43 of the Civil Defence Act. All businesses are required to develop plans to evacuate staff and customers in an emergency. These courses primarily benefit the firms involved in terms of meeting their legal obligations. The cost of running these courses should be allocated to the individual participants.

Rural Fire

The whole community benefits from the amenity and environmental values protected by the prevention of fires in rural areas. There are also positive wider effects associated with preventing and fighting fires. A fire put out on one property will not spread and damage other properties. For these reasons, when the costs cannot be recovered from the Natural Rural Fire Fund they should be allocated to the community as a whole.

There are two exceptions to this allocation:

- some fires are caused by carelessness or arson. In these situations where the exacerbator can be identified, they should be required to meet the cost of firefighting.
- Council also issues permits to light fires (for example for controlled burn-offs). This service involves site inspection visits, providing advice, and where necessary, monitoring. This activity provides a private benefit the cost of which should be allocated to the beneficiaries.

STEP 2 MODIFIED ALLOCATION OF COSTS

Building Control and Resource Management

There is scope for promoting the goal of public education about environmental sustainability through the information and advice function, however no modification of costs is proposed at this stage.

Cemetery and Crematorium

Council considers that there are two issues of equity and fairness that need to be taken into account:

- ♦ Ability to pay - this does not warrant any modification to the results arrived at in stage 1 because Social Welfare provides grants for families who can not afford this service.

- ◆ Recognition of the contribution of Returned Servicemen. Council believes that it is important to provide services free of charge and for this reason has decided to allocate the costs associated with services provided to the families of Returned Servicemen to the community as a whole. The impact of this is a slight shift of the allocation of costs from private users to the community.

STEP 3 SELECTION OF FUNDING TOOLS

Building Control and Resource Management

The allocation of costs arrived at in step 2 can be best met by a mix of user charges, fines and rates funding. There are practical problems in charging for giving verbal advice so for this reason verbal advice will be rates funded - shifting a small proportion of the cost of this function from users of the service onto the community as a whole.

Environmental Health and Safety

The allocation of costs arrived at in step 2 can best be met by a mix of user charges, fines and rates funding. However there are some problems in recovering all costs allocated to private beneficiaries due to legislative limitations on fees that can be charged. There are also difficulties in recovering costs from exacerbators due to a lack of legal basis, in some cases on which to charge.

These factors will result in the community as a whole bearing a slightly larger share of the costs associated with this function than identified at stages 1 and 2.

Animal Control and Welfare

The allocation of costs of the dog registration system are best met by registration fees.

Costs of impounding and complaints will be recovered from the animal owner through impounding fees and fines. When those costs cannot be fully recovered from the animal owner, they will be funded by a combination of rates and dog registration fees. The proportion of rates funding is to be set each year via the Annual Plan.

Property Information

The allocation of costs arrived at in Step 1 can best be met through user charges for property information and Land Information Memoranda.

Cemetery and Crematorium

The allocation of costs arrived at in step 2 can be best met by user charges for burial and crematorium services and rates funding for heritage and park aspects of the function and for the subsidy to Returned Servicemen.

Rural Fire

The allocation of costs arrived at in step 2 can be best met by applying user charges to cover the costs of permits to light fires and running courses for businesses, applying fines to cover the cost of fire-fighting when arson or negligence is involved and funding the rest of the function from general rates.

3.6 GREEN NETWORK

The City's parks, bush and streams form a "Green Network" of natural areas linking the ranges to the sea through town centres and neighbourhoods. This pathway is about caring for natural areas, providing routes for wildlife to move, feed and safely shelter in, and creating recreational areas for people to enjoy. These areas are also a protection against flooding, and a living filter for the City's stormwater.

Council's approach to the Green Network incorporates a mixed emphasis on public and private land, encouragement of community involvement, protection of ecosystems, and provision of green amenity. Policies and programmes also occur within a framework which safeguards resources for future generations and takes into account the principles of the Treaty of Waitangi.

Council's approach to stormwater over the next 10 years will be to concentrate on urban and urbanising catchments, with existing or potential (post-development) flooding problems. This programme will address public health, development and safety issues. Stormwater management systems chosen are to be "best practice", (including water quality treatment).

3.6.1 OBJECTIVE 1: NATIVE ECOSYSTEM IMPROVEMENT

The City's native plants, animals and their ecosystems are cared for and protected. Stream and coastal areas are replanted and protected from erosion, and natural links and wetlands are re-established.

Funded from Rates	Funded from User Charges	Funded from other sources
Policy and advocacy work revegetation and restoration projects		Capital works will be funded, where appropriate, from financial contributions.

STEP 1: ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

This objective covers the restoration and revegetation of ecological linkages and bush areas. This activity benefits nearby residents, developers (through offsetting some of the environmental impacts of growth) and the community as a whole.

STEP 2 MODIFIED ALLOCATION OF COSTS

There are no modifications as a result of Step 2 considerations

STEP 3 SELECTION OF FUNDING TOOLS

Most of the expenditure in this objective is capital, and is funded in accordance with Section 3.1. This includes funding, where appropriate, from financial contributions.

3.6.2 OBJECTIVE 2: PROTECTION OF LAND

Council and private landowners work in partnership to ensure that our native and other ecosystems are protected from threats to their ongoing survival.

Funded from Rates	Funded from User Charges	Funded from other sources
Weed control		Some external funding may be sought for research projects with benefits in Waitakere City and beyond

STEP 1: ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

The main activity in this objective is control of weeds. Most of Council's weed control work is focussed on meeting minimum legal requirements although there is some policy work and research into more effective and sustainable methods of weed control. This activity benefits the community as a whole.

STEP 2 MODIFIED ALLOCATION OF COSTS

There are no modifications as a result of Step 2 considerations

STEP 3 SELECTION OF FUNDING TOOLS

This activity is funded from rates.

3.6.3 OBJECTIVE 3: ACCESS AND AMENITY

People have better access to the City's parks, streams and green corridors, which are well managed to provide for improved standards of amenity and ecological health.

Funded from Rates	Funded from User Charges	Funded from other sources
Wilderness parks and walkways Amenity and community plantings on parks and streets.		Capital works will be funded, where appropriate, from financial contributions.

STEP 1: ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

This objective covers the construction and maintenance of public access ways through parks and bush areas, and amenity plantings in local parks. This activity benefits nearby residents, developers (through offsetting some of the environmental impacts of growth) and the community as a whole.

STEP 2 MODIFIED ALLOCATION OF COSTS

There are no modifications as a result of Step 2 considerations

STEP 3 SELECTION OF FUNDING TOOLS

Most of the expenditure in this objective is capital, for walkways and plantings, and is funded in accordance with Section 3.1. This includes funding, where appropriate, from financial contributions. Ongoing maintenance of these assets will be funded from rates.

3.6.4 OBJECTIVE 4: STORMWATER

The management of stormwater keeps up with the growth of the City and is in harmony with the natural water cycle. Land slippage and erosion is reduced and peoples health and safety protected.

Funded from Rates	Funded from User Charges	Funded from other sources
Maintenance and operating costs for the stormwater system, including pollution control. The business sector is charged a greater share of these costs based on greater average site coverage.		Capital works will be funded, where appropriate, from financial contributions. The Council will continue to lobby for funding of stormwater quality works by road users.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Flood Prevention

The need for flood prevention is brought about by urbanisation. Urban activity alters the natural flow of water while impermeable surfaces (roofs, parking areas, roads) generate more run-off than the natural rate.

By developing hard surfaces, private individuals cause the need for (and receive the benefit of) drainage systems. For any development the higher the ratio of impermeable to permeable surface area the greater the amount of run-off. This suggests that the maintenance costs of flood prevention that can be attributed to properties should be allocated to the

owners of those properties - in proportion to the amount of stormwater generated.

Commercial and industrial properties generate on average 3 times as much runoff as residential properties because commercial properties, on average, cover more of the site in impermeable surfaces such as roofs, driveways and car parks.

Some of the costs associated with flood prevention are as a result of runoff from community facilities and assets such as bridges, roads and utility services. These costs should be allocated to the community as a whole.

Capital expenditure required to service new subdivisions - both on-site and downstream - should be allocated to the developer because new subdivisions require on-site drainage and produce increased run-off.

Any other capital expenditure, not related to new subdivisions, should be allocated to the community as a whole and to the business sector.

Pollution control

Approximately 60% of the expenditure associated with pollution control is required because of pollution caused by motor vehicles. The remainder is more general urban pollution from plastic litter, pet and livestock faeces and septic tanks in the rural areas.

This suggests that 60% of the costs associated with pollution control should be allocated to motor vehicle users while the remaining 40% should be allocated to the community in general as it is impossible to identify individuals responsible for causing the pollution.

Capital costs associated with pollution control should be allocated between private developers, motor vehicle users and the community as a whole. Private developers should bear some of the costs as new subdivisions result in greater quantities of stormwater and therefore higher treatment costs. These contributions should be calculated in the same way as contributions for flood prevention. Most of the capital costs of stormwater control that Council is facing over the next 20 years would be required with or without more development in the city however - so should be borne by the community as a whole and by motor vehicle users.

STEP 2 MODIFIED ALLOCATION OF COSTS

There are no step 2 considerations which warrant modification of the allocation of costs arrived at in step 1.

STEP 3 SELECTION OF FUNDING TOOLS

There are some major practical and legal problems in achieving the allocation of costs arrived at in step 1.

The allocation of costs to developers can be achieved through financial contributions. The financial contributions should fund local stormwater network connections and contribute towards excess downstream network

capacity and pollution control. New capital projects which are clearly linked to the need to service population growth should be funded from these contributions.

It should be noted that currently Council levies development contributions under the Local Government Act which does not allow Council to levy for downstream impacts. Council may do this through its district plan under the Resource Management Act. Council has formulae in its proposed district plan which do include downstream effects. For commercial properties, the size of the contribution is also related to the ratio of impermeable to permeable surface area. However Council cannot use this part of the plan until the plan becomes operative.

It is not possible, at this point in time, to allocate any costs to motor vehicle users or to private properties on the basis of impact.

The development of GIS systems has allowed some overseas cities to shift from a rates-funded situation to one based on the impact principle. That is, the property which generates the runoff pays more towards the cost of maintaining the system. This method is not currently legally available in New Zealand (under the Rating Powers Act).

In addition the only mechanism currently available for levying motor vehicle users would be through increasing the petrol tax or road user charges - however Council has no control over this as central government sets the petrol tax and charges.

For these reasons, apart from the share of capital costs allocated to developers, all costs will continue to be allocated to the community as a whole through rates, with the business sector paying a higher proportion of costs than would be allocated on land value alone.

Council will advocate for legislative change that would enable stormwater charges to be levied on a property by property basis, and changes that would result in motor vehicle users bearing their share of the costs.

As a result of not achieving the allocation of costs arrived at in step 1 - the community as a whole will pay more through rates than would otherwise be the case. There is, therefore, no incentive for individuals (apart from new commercial/industrial developments) to minimise stormwater run-off or to reduce motor vehicle use.

3.6.5 OBJECTIVE 5: STEWARDSHIP

The relationship between peoples' activities and the City's natural environments is managed in a way that maximizes constructive relationships, encourages new understandings of the environment and seeks to develop community partnerships and community and landowner stewardship of the environment.

Funded from Rates	Funded from User Charges	Funded from other sources
District Plan costs Regulatory costs (part) Community projects Assistance to private landowners	Regulatory costs (part)	

STEP 1: ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

District Plan and Consents

The District Plan is prepared for the benefit of the community as a whole. Once in place the costs associated with processing resource consents - for both human and natural environments, are primarily for the benefit of the applicant and should be allocated to the applicant. Similar principles apply to building consent planning clearance and to certificates of compliance.

Subdivisions are created mainly for private benefit. Costs associated with processing subdivision engineering plans and scheme plans to meet environmental standards set through the District Plan are of direct benefit to the developer and should be allocated accordingly.

Advice and Information

Advice and information primarily benefits the person asking for the advice and costs should be allocated accordingly.

Enforcement

The Council has an obligation, under the Resource Management Act 1991, to monitor, and where necessary enforce compliance with the provisions of the District Plan and the Act. This is generally for the benefit of the community although some costs can be recovered through court fines where exacerbators can be identified.

Community Projects; Assistance to Private Landowners

Council recognises that its own actions are only part of the picture when it comes to environmental protection. Much of the work done to benefit local ecosystems and the local environment is undertaken on a voluntary basis by individuals and community groups. Council wishes to support these efforts through advice and information, provision of direct assistance to some community groups (eg. Keep Waitakere Beautiful) and also through assistance with covenanting and the provision of rates relief to some properties. Council's activities in this area are for the benefit of the community as a whole.

STEP 2 MODIFIED ALLOCATION OF COSTS

There is considerable scope for promoting Council's goals through the information and advice function however no modification of costs is proposed at this stage.

STEP 3 SELECTION OF FUNDING TOOLS

District Plan and Consents; Enforcement; Advice and Information

The allocation of costs arrived at in step 2 can be best met by a mix of user charges, fines, and rates funding. There are practical problems in charging for giving verbal advice so for this reason verbal advice will be rates funded - shifting a small proportion of the cost of this function for users of the service onto the community as a whole.

Community Projects; Assistance to Private Landowners

Council's role in assisting community groups and private landowners is funded from rates.

3.7 WATER

The Water Pathway includes the water and wastewater services delivered by Council's business unit, EcoWater Solutions, and Watercare Services Limited (Watercare).

These services are necessary for human life, public health and the protection of property from fire, and support the functioning of the local economy. The overriding aim of this pathway is to ensure that these essential services are provided efficiently, reliably, at an appropriate level of quality and in a way that minimises impacts on the environment, over the long term. Policies and programmes also occur within a framework which safeguards resources for future generations and takes into account the principles of the Treaty of Waitangi.

Activities in the Pathway are structured into five objectives:

- Sustainable management of water and wastewater systems
- Water supply
- Water network
- Wastewater Network
- Wastewater Treatment and Disposal.

3.7.1 OBJECTIVE 1: SUSTAINABLE MANAGEMENT OF WATER AND WASTEWATER SYSTEMS

The City's water and wastewater systems are sustainable, respond to growth pressures and integrate well with the natural water cycle and aquatic ecosystems.

Funded from Rates	Funded from User Charges	Funded from other sources
Participation in national and regional initiatives		
Council's role as a shareholder of Watercare Services Ltd		

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

This activity relates to high level planning and partnerships in the water and wastewater areas including the Council's role as a shareholder of WaterCare Services Ltd. Council undertakes this work as the representative of the community as a whole.

STEP 2: MODIFIED ALLOCATION OF COSTS

There are no modifications as a result of Step 2 considerations

STEP 3: ALLOCATION OF FUNDING TOOLS

These activities are funded from rates.

3.7.2 OBJECTIVE 2 – WATER SUPPLY (BULK)

A safe and reliable water supply is available to Waitakere users which:

- Reduces reliance on regional bulk water supplies
- Integrates supply solutions with the natural water cycle
- Ensures the community is able to make choices over their water supply
- Promotes the most effective management of the water supply; and
- Protects public health and the safety of individuals and the environment

Funded from Rates	Funded from User Charges	Funded from other sources
	The costs of bulk water purchased from WaterCare will be funded by user charges.	

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Approximately 30% of the benefits of water supply are considered to be public benefits. This proportion is needed to maintain public health standards, and to maintain safety standards for the fire-fighting service. The remaining 70% of benefits are estimated to be private. This suggests that at step 1 the costs of supplying water should be allocated between the users and the community as a whole in this proportion (note that this is modified at step 2).

STEP 2: MODIFIED ALLOCATION OF COSTS

The Council's Water Cycle Strategy promotes core policies to use less water, and to reuse, and recycle water. Council's intention is to encourage individuals to make decisions about water supply issues from a holistic perspective reflecting the social, environmental, and economic costs and benefits of water usage.

Allocating the costs to private consumers ensures that the costs of water supply infrastructure and maintenance are be carried by those who consume natural resources the most. It also directly influences the behaviour of consumers and thereby promotes the goals of the Water Cycle Strategy.

For these reasons it is considered that it is in the best interests of residents and ratepayers overall to modify the allocation of costs arrived at in step 1 by allocating 100% of the costs to users.

STEP 3: ALLOCATION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can best be met through the use of direct volume charges. (Other legal mechanisms for recovering the costs of this function include rates and Uniform Annual Charges).

Watercare Services Ltd has introduced a wholesale water pricing structure with a combination of fixed and variable costs. It may be appropriate for Council to review its current retail water pricing system, with a view to also introducing a pricing policy based on combination of fixed and variable costs.

3.7.3 OBJECTIVE 3 – WATER NETWORK (LOCAL)

The city’s water supply network is managed to “best practice” standards, while allowing for supply alternatives and the benefits of water conservation, to be recognised by the community.

Funded from Rates	Funded from User Charges	Funded from other sources
	The costs of maintaining and running the water supply network will be funded by user charges.	Capital expenditure on water due to new subdivisions will be funded by financial contributions. Connection fees will be reviewed to provide an incentive to install water efficient appliances.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

As for bulk water supply, the water supply network provides a mix of public and private benefits, suggesting that the costs of supplying water should be allocated between the users and the community as a whole in this proportion (note that this is modified at step 2).

Council’s capital expenditure requirements to connect the water supply system of a new property or subdivision to the overall water supply system are the direct result of new developments. Consequently, capital expenditure incurred to extend the reticulated system to cover new subdivisions should be allocated to the developer or property owner. This allocation should also include a contribution for the use of capacity in the downstream network both at local and regional level.

STEP 2: MODIFIED ALLOCATION OF COSTS

As for bulk water supply, it is considered that it is in the best interests of residents and ratepayers overall to modify the allocation of costs arrived at in step 1 by allocating 100% of the costs to users. This allocation is considered fairer because households conserving water do not have to subsidise wasteful use of water by other users.

At present Council charges fixed fees for new connections and does not provide an incentive for water efficiency in these new properties. For example, a house fitted with conventional appliances will use twice the amount of water that a house fitted to a high efficiency standard ('AAA') will use. This suggests that existing connection fees should be reviewed to provide some incentive for water efficiency. This will not impact on the distribution of costs between users and the community as a whole because such an incentive could be incorporated into the pricing structure for new connections.

STEP 3 : ALLOCATION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can best be met for existing users through the use of direct volume charges. (Other legal mechanisms for recovering the costs of this function include rates and Uniform Annual Charges).

New subdivisions or developments should fund their local water network connection and fund the impact of their development on downstream network capacity. New local capital projects that are clearly linked to the need to service population growth should be funded from those contributions.

Other local capital projects to improve the overall network should be funded by loans

3.7.4 OBJECTIVE 4 : WASTEWATER NETWORK (LOCAL)

The city’s wastewater network is managed to “best practice” standards, and safeguards public health and the environment, while allowing people choices about disposal options and wastewater minimisation.

Funded from Rates	Funded from User Charges	Funded from other sources
<p>The costs of the Inner area wastewater system, not funded from the Uniform Annual Charge, will be allocated to Inner area properties via rates.</p> <p>Costs associated with septic tanks will be allocated to Outer area properties via a Uniform Annual Charge.</p>		<p>Capital expenditure on wastewater due to new subdivisions will be funded by financial contributions.</p>

STEP 1: ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Inner Area Drainage Services

Houses and other buildings within the inner drainage area are connected to the city's wastewater system. Under the Building Act 1991, a new building must connect to the sewerage infrastructure when it is in close proximity. Properties that are connected to the system derive a benefit because all wastewater generated by the property's occupants can be disposed of through the network.

The community overall benefits from the provision of wastewater services. These gains relate to the public health and the environmental benefits of having a public sewerage collection, treatment and disposal system.

However, like solid waste, the exacerbator principle can be applied to wastewater generation (waste production is a negative effect of using water) – particularly as individuals and organisations can take steps to decrease the use of wastewater services. For example, greywater can be recycled and used for irrigation. To be consistent with analysis for other functions, this suggests that the operating costs should be allocated to people producing wastewater.

Capital expenditure incurred due to extension of the reticulated system (both on-site and downstream) to cover new subdivisions and buildings should be allocated to the developer or property owner.

Outer Area Septic Tanks

As the sewerage infrastructure does not extend to the outlying parts of the City, residents and businesses in these parts of the City do not have the option of using the wastewater network service. While there is no alternative infrastructure in the outer area, there are a few alternative methods of wastewater treatment available. These options include septic tanks, composting and electric toilets.

Most residents in the outer area have chosen the option of septic tanks. Council, through a private contractor, offers the service of septic tank clean out, which is a service that has significant private benefits.

There are also public benefits in the provision of such service because it prevents or minimises the occurrence of drainage and leaks that tend to pollute groundwater, streams, and coastal waters, and create nuisances to adjoining properties.

To avoid these problems it is considered good practice to have septic tanks emptied every three years. Because private individuals have to ensure that septic tanks do not cause pollution, the cost of septic tank pump-outs should be fully allocated to owners of septic tanks. This cost should include the cost of administering the contract with the private operator, however the cost of dealing with complaints about the functioning of septic tanks should be allocated to the outer area community as a whole. This is because problems with septic tanks are

rarely the fault of the owner and from a public health and environmental perspective the proper functioning of septic tanks is very important.

STEP 2: MODIFIED ALLOCATION OF COSTS

Inner Area Drainage Services

Equity considerations (ability to pay) suggest that low-income, large family households would be adversely affected by paying for their wastewater disposal. However, from an analytical perspective, the issues are no different to those of water supply, which is already funded by private users. The problems faced by low-income households could be widened by any move to user pays. This is an issue of income adequacy and would be better addressed by Central Government directly. While in some circumstances Council has taken “ability to pay” into account in its decision about how to fund services, there are other considerations outlined below which need to be weighed against the potential problems faced by some sectors of the community.

Council can minimise the impact on low-income families by:

- Ensuring programmes are in place through the Water Cycle strategy to assist all households, particularly those who will be most affected, to minimise their water consumption.
- Phasing in charges over a transitional period. For example, in parts of Australia wastewater charges are being introduced over a ten-year period. While Council is likely to want to move more quickly than this (and probably phase in full user charges over 2 years) it will still be important to give advance warning. Council has now established dialogue with residents and ratepayers on water issues and has an effective means of communicating any intention to move to user pays.

It should also be noted that if Council continues to fund wastewater through rates, and if these costs increase significantly as predicted, all households including low-income households will be adversely affected.

Council considers that ability to pay issues are outweighed by other step 2 considerations. Allocating costs to users as suggested in Stage 1 would:

- Keep the burden of these negative effects on those who produce the discharges in line with the exacerbator-pays principle of Step 1.
- Ensure that the costs of the reticulated network maintenance and construction are carried by those who use wastewater services the most.
- Directly influence the behaviour of individuals and organisations and thereby promote recycling and reuse.
- Give people the opportunity to influence the charges they face by varying the demands they place on the system.

Outer Area Septic Tanks

There are no modifications proposed as a result of step 2 considerations.

STEP 3: SELECTION OF FUNDING TOOLS

Inner Area Drainage Services

The best method of achieving the allocation of costs arrived at in Step 2 would be to introduce charges based on the actual outflow of wastewater (user charge system) to pay for operating costs of the wastewater facilities. However, the installation of separate meters for measuring wastewater outflow from households is not cost effective at present due to technological limitations. If Council introduces a charging system based on the use of wastewater facilities, the only feasible and cost effective way of doing so would be to apply a certain proportion of water use as a proxy for wastewater outflow from the households. This approach is based on the average outflow of wastewater in relation to the average use of water by all households in the community.

Charging for wastewater on the basis of water use is somewhat unfair on those households that are using a larger proportion of water than the average households for purposes that do not result in the disposal of wastewater into the reticulation system (e.g. watering the garden).

A charging method based on water use as a proxy for wastewater outflow does not offer incentives for people to adopt innovative approaches that reduce the volume of wastewater discharged to wastewater reticulation and treatment system (e.g. grey water recycling).

The estimation of wastewater outflow on the basis of water use does not reflect the discharge of wastewater generated by private water supply systems (e.g. rain water tanks). These households will not pay their fair share on the use of the wastewater reticulation system to discharge the wastewater generated.

In addition, neither the inflow nor the outflow method of user charging would be legally available under the Rating Powers Act unless Council was to set up a Local Authority Trading Enterprise (LATE) to run its wastewater operations. This is not Council's preferred approach.

Council currently funds wastewater through general rates on all households in the inner area. General rates are only one of the legally available methods for rates funding of wastewater. The other legally available mechanisms are:

- a separate sewerage charge;
- a uniform annual charge; and
- a pan charge.

Council does not believe that a change to one of these methods would be warranted given the fact that these methods also have the weaknesses in matching the wastewater operating costs to the users. Therefore, until a more cost effective technology is available to measure wastewater discharge, general rates funding should continue.

New subdivisions or developments should fund their local wastewater network connection and contribute towards excess downstream network

capacity and pollution control through financial contributions. New capital projects which are clearly linked to the need to service population growth should be funded from these contributions. Other capital projects to improve the overall network should be funded by loans.

It is recognised that until the District Plan become fully operative the financial contributions may fall short of what is required to comply with this policy – this shortfall should be loans funded.

Outer Area Septic Tanks

The most effective way of achieving the costs in Step 2 would be to bill septic tank owners separately for pump-out costs and to recover other costs through rates. However this would be administratively expensive as council would have to set up a new debtors system. A uniform annual charge is a tax but it is the best way of imitating a user charge. Its disadvantage is that it will have to be applied to all properties regardless of whether they have a septic tank. The sewerage charge to these properties is justified on the basis that it addresses a major public health issue, and also includes the cost of dealing with complaints about septic tanks, and some water quality testing, which is to the benefit of all residents.

In reaching this conclusion Council has reviewed a range of options including withdrawing from the service completely while introducing a by-law to ensure that owners do adequately care for their septic tanks. Council will continue to investigate ways to provide a more flexible service, and a more flexible system of charging for outer area households.

3.7.5 OBJECTIVE 5 – WASTEWATER TREATMENT AND DISPOSAL (BULK)

Safe treatment and disposal of wastewater is provided to the community in a way that:

- ◆ Encourages demand management and alternative treatment solutions
- ◆ Ensures treatment systems are compatible with reuse and recycling initiatives and the natural water cycle
- ◆ Provides the opportunity for the community to make choices over their wastewater disposal.

Funded from Rates	Funded from User Charges	Funded from other sources
<p>The costs of the Inner area wastewater system, not funded from the Uniform Annual Charge, will be allocated to Inner area properties via rates.</p> <p>Costs associated with septic tanks will be allocated to Outer area properties via a Uniform Annual Charge.</p>		

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

The safe disposal of wastewater provides both private and public benefits. The public benefits are in maintaining public health and environmental standards, while the private benefits are in providing residents with a safe, convenient option for disposal of wastewater. This suggests that at step 1 the costs of treating wastewater should be allocated between the users and the community as a whole.

The costs of providing wastewater treatment and disposal services are created by the properties generating wastewater. Capital expenditure incurred due to extension of the reticulated system (both on-site and downstream) to cover new subdivisions and buildings should be allocated to the developer or property owner via a financial contribution.

Once the infrastructure has been put in place, most of the costs are fixed and do not vary with wastewater generation until the capacity of the infrastructure has been reached. However, there is currently significant new regional capital expenditure planned for a new satellite treatment plant to increase capacity. Wastewater treatment and disposal costs are also increasing to meet higher environmental standards. This means that costs do vary with wastewater flows. The Council is motivated to minimise these costs by providing incentives for users to reduce their water use and therefore wastewater volumes.

These characteristics suggest a mix of funding mechanisms may be appropriate:

- A property tax to reflect the public benefits of services (rates, a Uniform Annual Charge or a Pan charge);
- User Charges to reflect the private benefits of the service, which can be structured in any way to reflect the fixed and variable costs of the service;
- Financial contributions levied on developers to recover the capital costs associated with new development.

STEP 2: MODIFIED ALLOCATION OF COSTS

The Council is keen to minimise the significant increases in costs forecast for wastewater treatment and disposal. This places greater importance on user charges as the only funding mechanism that can signal these costs and provide incentives for people to reduce their water use/wastewater generation and defer the capital expenditure that is planned.

The Council is also concerned about the fairness of funding wastewater services, and wishes to have regard to both the “beneficiary pays” principle and the “ability to pay” principle, in the way in which it funds these services. Each funding mechanism has different impacts on different groups. The choice of a particular funding mechanisms, may involve trade-offs that can be addressed by methods outside the funding mechanism.

STEP 3 : ALLOCATION OF FUNDING TOOLS

Step 1 and 2 considerations suggest that wastewater treatment and disposal services should be funded via a mix of financial contributions (to recover the costs of capital expenditure to service new development), rates and a Uniform Annual Charge, and User Charges.

For the purpose of introducing User Charges, Council will have to measure wastewater outflow from the households. The installation of separate meters for measuring wastewater outflow from households is not cost effective at present due to technological limitations. If Council introduces a charging system based on the use of wastewater facilities, the only feasible and cost effective way of doing so would be to apply a certain proportion of water use as a proxy for wastewater outflow from the households. This approach is based on the average outflow of wastewater in relation to the average use of water by all households in the community.

Charging for wastewater on the basis of water use is somewhat unfair on those households that are using a larger proportion of water than the average households for purposes that do not result in the disposal of wastewater into the reticulation system (e.g. watering the garden).

A charging method based on water use as a proxy for wastewater outflow does not offer incentives for people to adopt innovative approaches that reduce the volume of wastewater discharged to wastewater reticulation and treatment system (e.g. grey water recycling).

The estimation of wastewater outflow on the basis of water use does not reflect the discharge of wastewater generated by private water supply systems (e.g. rain water tanks). These households will not pay their fair share on the use of the wastewater reticulation system to discharge the wastewater generated.

In addition, Users Charges is not a funding method that is legally available to the Council unless it forms a company to run its wastewater services, and the Council has already resolved not to do this.

According to legal advice, Council cannot pass on to developers the portion of Watercare charges that related to expansion of regional facilities to cope with growth.

Council currently funds the costs of wastewater treatment and disposal services from general rates on all households in the inner area. General rates are only one of the legally available methods for rates funding of wastewater services. Council does not believe that a change to one of the other methods (i.e. separate sewerage charge, uniform annual charge and pan charge) would be warranted given the fact that these methods also have the weaknesses of matching the wastewater operating costs to the users. Therefore, until a more cost effective technology is available to measure wastewater discharge, general rates funding should continue.

3.8 SOLID WASTE

The Solid Waste Pathway provides for waste to be managed in a responsible way. This includes minimising the amount of waste which needs to be disposed of through “reduce, re-use, recycle” strategies, combating litter and illegal dumping, and managing the impacts of waste disposal.

Provision of Solid Waste services is essential to the health and wellbeing of residents. Services aimed at minimising the amount of waste that is produced and deposited in landfills contribute to meeting economic and environmental sustainability goals. Council also has a legal obligation to produce a Waste Management Plan that takes account of the hierarchy of “Reduce, Reuse, Recycling, Recovery, Residual Disposal”. The Resource Management Act 1999 requires Council to regulate the adverse effects of activities (including disposal sites) on the surrounding community and environment. In addition, the Health Act obliges the Council to ensure that there is an adequate level of collection and disposal of refuse in the City. The Council's strategic direction for its Solid Waste services is to promote and achieve waste minimisation while ensuring the provision of efficient, high quality waste collection services.

Council’s objectives for Solid Waste are:

- Reduce waste at source - including reduction of hazardous waste – and encourage re-use.
- Recycle materials such as paper, glass, metals and plastic.
- Waste collection- from households and businesses.
- Recover materials at the transfer station for reuse and recycling rather than dumping.
- Provide effective litter services and discourage illegal dumping, including the dumping of hazardous waste.
- Provide safe, reliable disposal of residual waste.
- Former waste sites are clearly identified and are managed in a safe and environmentally acceptable manner.

3.8.1 OBJECTIVE 1: REDUCTION AND RE-USE

To minimise the creation of hazardous and non-hazardous waste and to encourage the reuse of materials where possible.

Funded from Rates	Funded from User Charges	Funded from other sources
Cleaner Production, education, business partnership programmes		Council will seek external funding including sponsorship and assistance from local businesses for Cleaner Production activities.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

These services help Council meet its legislative requirements and Council's own objectives and are for the benefit of the community as a whole. Costs should, therefore, be allocated on this basis. Where benefits are wider than the Waitakere City community, external funding (including from businesses, the Regional Council and the Ministry for the Environment) is also appropriate.

STEP 2: MODIFIED ALLOCATION OF COSTS

There are no modifications proposed as a result of step 2 considerations

STEP 3: ALLOCATION OF FUNDING TOOLS

The allocation of costs arrived at in step 2 can best be met by rates.

3.8.2 OBJECTIVE 2: RECYCLING

To maximise the recycling of materials which would otherwise be destined for disposal.

Funded from Rates	Funded from User Charges	Funded from other sources
Costs of domestic and commercial recycling services (net of recoveries)		Sale of recyclables generates some income to offset some of the costs of this service.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Kerbside recycling generates private and public benefits. The private benefits are reflected in having a convenient way of disposing unwanted materials and items. Public benefits include the positive contribution towards reduction of waste to landfills. The cost of this activity should therefore be allocated to both private individuals and the community overall.

STEP 2: MODIFIED ALLOCATION OF COSTS

The importance of Council's goal to minimise waste to landfill, together with Council's legislative requirements suggest that the cost of kerbside recycling (after recoveries) should be allocated to the community as a whole - creating a greater incentive for individuals to recycle.

STEP 3: ALLOCATION OF FUNDING TOOLS

The most effective way of allocating costs of kerbside recycling to the community as a whole is through general rates.

3.8.3 OBJECTIVE 3: WASTE COLLECTION AND DISPOSAL

Effective and efficient waste collection services are provided throughout the City and residual waste is disposed of in a safe, economical and environmentally responsible way.

Funded from Rates	Funded from User Charges	Funded from other sources
For practical reasons a small rates subsidy is applied to Council's regular collection and disposal service. This is levied as a Uniform Annual Charge. Inorganic collections are funded from rates.	Bag sales fund the majority of collection and disposal costs	

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

These services benefit both the individual receiving the service and the community at large. The individual benefits arise from the convenience of disposal. Benefits to the community include safeguarding public health and avoiding problems from illegal dumping.

STEP 2: MODIFIED ALLOCATION OF COSTS

Council has a policy to reduce the amount of waste disposed of to landfill. There is also a legal responsibility under the Local Government Act for all Councils to plan to minimise waste. Requiring people to pay for the waste they produce is a key mechanism by which Council seeks to achieve its waste minimisation targets. However Council also recognises that on fairness and equity grounds, ability to pay should be a consideration for Council in imposing user charges on large, low income families. On balance, the argument that people should pay for the waste they produce was felt to outweigh the issues of ability to pay.

STEP 3: ALLOCATION OF FUNDING TOOLS

The costs of commercial collection will be covered by user charges. To the extent practicable, the costs of the domestic collection will be covered by the proceeds from bag sales. A small rates subsidy of the domestic collection remains necessary at present in order to meet Council's legal obligation to provide a collection service citywide. This subsidy will be levied as a Uniform Annual Charge.

The costs of the inorganic collection will be funded from rates, because there is no other practicable funding method available.

3.8.4 OBJECTIVE 4: RESOURCE RECOVERY

To see that useable materials are recovered from collected waste prior to disposal to landfill.

Funded from Rates	Funded from User Charges	Funded from other sources
Composting initiatives at the Transfer Station may be subsidised from rates	Gate charges apply for waste delivered to the Transfer Station	Sale of products recovered from the waste stream generates some revenue

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Council operates a Transfer Station which provides a regional service and generates a profit. This profit is currently being applied repay an existing Solid Waste deficit.

The provision of a composting service for green waste and potentially also for food waste benefits the users of this service, and also the community as a whole through reduced volumes of waste to landfill.

The disposal of ginger roots delivered to the Transfer Station benefits the individual, but is also of significant benefit to the community as it safely disposes of a noxious weed.

STEP 2: MODIFIED ALLOCATION OF COSTS

Food and garden waste make up almost half of all waste collected in the domestic collection. The reuse of this waste as compost offers a significant opportunity to advance Council's policy of reducing waste to landfill. For these reasons it is appropriate for the community as a whole to bear a greater proportion of costs in the early stages of developing and implementing a modern composting service.

STEP 3: ALLOCATION OF FUNDING TOOLS

As the Transfer Station generates a profit, no funding is required.

Disposal of garden waste (and potentially also food waste) will be funded from a mix of rates and user charges (gate fees). The proportion of costs allocated to rates is expected to fall over time.

Disposal of ginger roots delivered to the Transfer Station will be funded from rates.

3.8.5 OBJECTIVE 5: LITTER SERVICES AND ILLEGAL DUMPING

To provide litter services where they are most needed and to minimise littering and illegal dumping.

Funded from Rates	Funded from User Charges	Funded from other sources
Enforcement of Bylaws Litter collection Assistance to community initiated clean-ups City Image services in town centres are funded 50% by the business sector.		Fines are the preferred source of funding for enforcement of bylaws, but identification of offenders and recovery of fines are problematic.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

The enforcement of bylaws and the collection of litter are made necessary by the actions of a few; if these people could be identified and made to pay then this would be the fairest allocation of costs. The community as a whole also benefits from a clean and safe city.

The provision of street litter bins benefits the community as a whole and the business sector. Most litter bins are close to shops and a high proportion of litter collected in these bins originates from nearby businesses.

Disposal of abandoned vehicles benefits the owner of the vehicle.

STEP 2: MODIFIED ALLOCATION OF COSTS

Council places a high priority on cleanliness and city image, especially in town centres.

Council believes the current increases in numbers of abandoned vehicles is due to government policies which lower the cost of some cars to the point where wreckers and car disposal sites require payment to dispose of them. It does not regard it as fair or equitable that ratepayers should bear the costs of disposing of these cars.

STEP 3: ALLOCATION OF FUNDING TOOLS

Where possible, the costs of enforcement of bylaws, including the disposal of abandoned vehicles, will be recovered from fines. Where this

is not possible they will be funded from rates. In the case of abandoned vehicles, Council will lobby for alternatives to rates funding of vehicle disposal.

All other activities in this objective will be funded from rates. For City Image services in town centres, the business sector will contribute 50% of total costs.

3.8.6 OBJECTIVE 6: AFTERCARE

To ensure that former waste sites are clearly identified and are managed in a safe and environmentally acceptable manner.

Funded from Rates	Funded from User Charges	Funded from other sources
Aftercare of sites for which Council has a legal liability.		

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Aftercare benefits the community as a whole through addressing a significant source of pollution. It also recognises a liability imposed by past generations, which must be met by the community as a whole.

STEP 2: MODIFIED ALLOCATION OF COSTS

There are no modifications as a result of step 2 considerations.

STEP 3: ALLOCATION OF FUNDING TOOLS

The costs of aftercare will be funded from rates.

3.9 DEMOCRACY, MONITORING AND OPERATIONS

Activities in the Democracy, Monitoring and Operations Pathway support good decision-making by elected representatives, and meaningful public involvement. This Pathway also covers the smooth operation of the Council organisation, improving the flow of information about issues to the community, and developing partnerships between the Council and key groups in the City.

Services in this Pathway have been grouped into four objectives. These focus on the following areas:

- Decision-Making Processes and Elections
- Corporate Support
- Partnerships – Local, Regional and National
- Iwi and Maori Partnerships

Council has signalled that its priority in the Democracy Pathway is to provide for informed public input to Council decisions. Council makes significant decisions on behalf of the community and wishes to give citizens the opportunity to be involved in the decision making process. Citizens can choose their level of involvement from simply voting and receiving information from Council, through to participating in formal submission and consultation processes. Other opportunities exist to influence the development of policies and work programmes (and the work of Council and the Community Boards).

Longer term, there is a strong possibility that the shape of local government in the Auckland Region will change, with options including an Auckland “Super City” or, less drastic, the possibility of amalgamation and/or boundary changes between local Councils. Meanwhile, the Councils of the Auckland Region continue to pursue joint approaches across a wide range of issues.

3.9.1 OBJECTIVE 1: DEMOCRATIC PROCESS

Sound informed decisions for the City are made through the democratic process, including the election of community representatives, and support for elected members’ decision-making. Citizens are well informed, and are encouraged to participate.

Funded from Rates	Funded from User Charges	Funded from other sources
Services which support and inform the democratic process, including public consultation and most information requests.	User charges may apply for large requests for information to ensure that requests are reasonable.	

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

The democratic process, and the processes which maintain and inform that process, benefits the community as a whole.

Council's role is to represent the collective wishes and interests of its communities, as recognised in the Local Government Act, section 37K. Council's contribution to quality of life and community wellbeing is therefore at the heart of its role.

Although Council's functions, duties and powers are conferred by legislation, Council has wide discretion in how it contributes to the wellbeing of the community. Like every other local authority, it operates within its own unique vision, which depends on the wishes and circumstances of local residents, and goals for the City's long-term future.

Maintaining the democratic and consultative processes through which communities are represented by Councillors and Community Board members benefits the entire community. Consequently, the cost of this service should be allocated to the community overall.

Part of the democratic process is informing the community about options and future plans. Local government also has a role in analysing and providing information about the local area, beyond the needs of its own planning and policy work. Most of the information provided by Council is "Official Information" in terms of the Official Information Act; Council is of course also bound by the Privacy Act in its use and release of information.

Council receives a wide range of information requests, including requests for copies of documents such as Annual Plan and agendas, information from the archives, etc. Information requests are received from a variety of individuals and organisations, including community groups and businesses (e.g., real estate agents request rating roll information).

The benefits resulting from the provision of information depends on the purpose to which the information is put. If the information is used for educational purposes, or to enable public participation in the political process, there is a significant public benefit component. If the information is used for commercial purposes, it is largely a private benefit.

The costs of providing information should be allocated either to the individual/group that requests it or to the community overall. The allocation will depend on the type of information and the purpose to which the information is put.

When requests create significant workload in terms of locating and providing the information or significant costs (eg. large numbers of copies of the Annual and Strategic Plan, Funding Policy, District Plan, etc.), the costs may, at the discretion of management, be allocated to the individual or group requesting the information.

STEP 2 MODIFIED ALLOCATION OF COSTS

Providing information can encourage and facilitate participation in community life and the political process at all levels. If charges were applied this could create a disincentive to requesting the information. This consideration does not apply to information used for commercial purposes because information may be considered as a resource for business activity and therefore a legitimate expense.

Management should have the discretion to allocate the costs of requests for large amounts of information or a large number of copies of reports. For example, multiple copies of the Annual Plan requested by a school for a school project may not attract a charge, but requests from a business for demographic information may.

There are no other alterations to the conclusions arrived at in Step One.

STEP 3 SELECTION OF FUNDING TOOLS

Costs associated with the democratic process will be funded from rates. Management may however apply user charges for the provision of information.

3.9.2 OBJECTIVE 2: CORPORATE SUPPORT

The management of services and assets is fair, efficient and cost effective. Resources are allocated to support high quality services and assets and risk is minimised.

Funded from Rates	Funded from User Charges	Funded from other sources
Monitoring and operational support for rates-funded services.	Some operational support for services funded from user charges, eg: ITS and payroll costs to support the Water service.	

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Most corporate support activities, for example payroll and fleet management are overheads; these costs are allocated as set out in Section 3.4. For some areas of corporate support, including legal and management processes and human resources, costs are higher than in a private sector organisation of comparable size because of a higher level of legal requirements and public scrutiny of Council. A proportion of corporate support costs is therefore considered to be a cost of democracy. This cost benefits the community as a whole for the same reasons applied for the democratic process itself.

STEP 2: MODIFIED ALLOCATION OF COSTS

There are no modifications as a result of Step 2 considerations

STEP 3: ALLOCATION OF FUNDING TOOLS

These activities are funded from rates.

3.9.3 OBJECTIVE 3: COMMUNITY PARTNERSHIPS

Strong formal and informal partnerships are in place with Pacific Islands people and ethnic communities, as well as key sectors of the international, national, regional and local community. Council is an effective advocate on behalf of citizens.

Funded from Rates	Funded from User Charges	Funded from other sources
Costs of advocacy, and of strategic partnerships will be funded from rates.		Some external funding is available for specific partnerships and projects.

STEP 1 ALLOCATION OF COSTS BASED ON ECONOMIC PRINCIPLES

Council has strong formal partnerships with key sectors of the international, national, regional and local community, and takes a strong advocacy role on behalf of the residents of the City.

The City maintains open and positive formal partnerships with iwi, and pan-tribal Maori organisations, and has signed a Memorandum of Understanding with the Pacific Islands Advisory Board.

Although these partnerships focus on particular sectors of the community, the benefits of these partnerships accrue to the whole community in the long term. This indicates that the most appropriate method of funding these services is from general rates.

STEP 2: MODIFIED ALLOCATION OF COSTS

There are no modifications as a result of Step 2 considerations

STEP 3: ALLOCATION OF FUNDING TOOLS

These activities are funded from rates.

3.9.4 OBJECTIVE 4 – IWI AND MAORI PARTNERSHIPS

The City maintains open and positive formal partnerships with iwi and pan-tribal Maori organisations.

Funded from Rates	Funded from User Charges	Funded from other sources
Costs of iwi and pan-tribal of strategic partnerships will be funded from rates.		

3.10 INVESTING

3.10.1 STRATEGIC AND FINANCIAL RETURNS

The investments managed by the Council through its Investing Pathway achieve clearly identified objectives and/or a targeted rate of return.

Funded from Rates	Funded from User Charges	Funded from other sources
This objective currently generates a cash surplus, which reduces the overall rate requirement.		

