

Revenue and Financing Policy

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1 INTRODUCTION

Under the Local Government Act 2002, all local authorities are required to adopt a Revenue and Financing Policy, replacing the existing Funding Policy adopted under the Local Government Amendment Act (No. 3) 1996. Waitakere City Council adopted its first Revenue and Financing Policy under the new legislation in June 2003 as part of the Long Term Council Community Plan 2003/2004. It has now been updated to reflect the adoption of the Development Contributions and Financial Contributions Policy, as required under the provisions of the Local Government Act 2002. The Development Contributions and Financial Contributions Policy, operative with effect from 1 July 2004, is described fully in a separate document. This document provides details of Waitakere City Council's Revenue and Financing Policy, including how the policy was developed and what sources are used to fund Council activities in accordance with the new legislation.

Revenue and Financing Policy is an important instrument of Council's financial management because how the activities are funded can have a significant impact on the financial viability of Council services and the current and future interests of the community. This is a companion document to the Long Term Council Community Plan and Annual Plan, and while it is more detailed on issues of Revenue and Financing Policy, it is not intended to be a stand-alone document. For information on the process and the context in which the Council's funding decisions are made, please refer to the Long Term Council Community Plan and Annual Plan.

Waitakere City Council's first Funding Policy was adopted in 1995 after extensive public consultation. It was substantially amended during 1997/98 in the preparation of the 1998 Funding Policy to reflect the policy development process prescribed in the Local Government Amendment Act (No 3) 1996. Council consulted the community again during 1999/2000, and adopted a slightly revised Funding Policy, which had been in operation since 1 July 2000.

Under the Local Government Amendment Act (No. 3) 1996, Council was required to follow a three-step process in determining how costs were shared and funding tools were selected. At the first step, costs were allocated purely on the basis of who benefits (beneficiary pays principle) or who generates costs ("exacerbator" or "polluter" pays principle). At the second step, cost allocation made at step 1 could be modified, if desired, to accommodate considerations such as fairness, equity, transitional impacts and Council policies. The appropriate funding tools were selected at the final step.

While there is no fundamental change to the substance of these funding criteria, the process involved in the development of a Revenue and Financing Policy is different under the Local Government Act 2002. The new Act does not prescribe a three-step process, which begins with the application of economic criteria to arrive at the funding mechanisms. In determining the sources of funding under the new legislation, Council is required to identify community outcomes and consider the current and future economic, social, environmental and cultural wellbeing of the community in addition to economic principles relating to cost sharing.

The Revenue and Financing Policy is based on the community outcomes, which have been identified as the 2020 vision statements in the Long Term Council Community Plan. These community outcomes, developed in consultation with the community, reflect Council's Eco-City vision that has guided all its activities on a path towards sustainable development over the last ten years.

The Revenue and Financing Policy has realigned the previous Funding Policy with the provisions of the new legislation. It also includes the following policy changes adopted by the Council:

- The multi-unit rates differential: Imposition of Uniform Annual General Charge on each separately used or inhabited part of a rating unit;
- Water shed differential: Inclusion of watershed and reservoir land under the business sector for the purpose of rating and application of the relevant rate in the dollar;
- Farmland differential: The application of rates postponement policy adopted by Council during 2003/2004; and
- Car parking: Amendment to funding policy to enable charging for car parking and introduction of user charges as a pilot project in Henderson.

With regard to housing for older adults, the Revenue and Financing Policy provides a definition of the term “cost recovery” and proposes a simplification of the current method of calculating rental and a phased increase in rents until all residents are on rents in line with the revised policy.

As a consequence of the enforcement of the Local Government (Rating) Act 2002, a technical modification to the previous rates funding of wastewater services is introduced. (Council may charge for wastewater services as targeted rates under the provisions in the Local Government (Rating) Act 2002).

2 LEGAL REQUIREMENTS

2.1 FINANCIAL MANAGEMENT

In terms of Local Government Act 2002, Council is required to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (balanced budget).

Despite this requirement, Council is allowed to set projected operating revenues at a different level from that required to achieve a balanced budget if the local authority resolves that it is financially prudent to do so, having regard to:

- a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the Long Term Council Community Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- d) the funding and financial policies adopted under the Act.

The new Act also requires Council to:

- manage its revenues, expenditure, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community; and
- make adequate and effective provision in its long-term council community plan and in its annual plan (where applicable) to meet the expenditure needs contained therein.

2.2 FUNDING AND FINANCIAL POLICIES

Council is further required to adopt funding and financial policies in order to provide predictability and certainty about sources and levels of funding. These include:

- a) a revenue and financing policy;
- b) a liability management policy;
- c) an investment policy;
- d) a policy on development contributions or financial contributions;
- e) a policy on partnerships between the local authority and the private sector; and
- f) a policy on the remission and postponement of rates on Maori freehold land.

This document covers the revenue and financing policies.

2.3 REVENUE AND FINANCING POLICY DEVELOPMENT

According to the new legislation, the funding needs of a local authority must be met from those sources that the local authority determines to be appropriate, following consideration of several criteria.

In determining an appropriate funding source in relation to each activity, Council has considered the following:

2.3.1 COMMUNITY OUTCOMES

Community outcomes are the priorities identified by the community by following the consultation process prescribed in the Local Government Act 2002. The Revenue and Financing Policy is based on the community outcomes which have been identified as the 2020 vision statements in the Long Term Council Community Plan.

2.3.2 THE DISTRIBUTION OF BENEFITS

For the purpose of allocation of costs of each Council activity among individuals, groups of individuals and the entire community, it is essential to identify the beneficiaries and the relevant cost of the service used. Economic theory provides three concepts that could be applied to share costs according to beneficiaries.

2.3.2.1 Public Goods

At one extreme are the pure public goods which have two defining characteristics: non-rivalry and non-excludability.

Non-rivalry means that consumption by one party does not reduce the amount of that good or service available to others. In other words, there is no extra cost involved in the consumption of such good or service increases. So the cost is not related to the amount consumed.

Non-excludability means that it is impossible or extremely costly and difficult to exclude anyone from consuming if they do not pay for the good or the service.

If a good or service has both these two characteristics it is a pure public good; and it will not be possible to allocate the costs to the users of the good or the service. Because of this, the costs of such goods and services need to be borne by the public as a whole (through rates). Parks are an example of a service that has the characteristics of a public good.

2.3.2.2 Private Goods

At the other extreme are the pure private goods that have the opposite characteristics – rivalry and excludability. If the service provided by Council benefits identifiable parties and the costs related to the services used by them can be allocated directly to them, such services are called private goods. The costs of these services can be recovered from the consumers in the form of user charges or targeted rates.

2.3.2.3 Positive Externalities

The consumption of private goods and services can also result in benefits to third parties – people who don't directly use them. These "spill over effects" or "positive externalities" are also called public or social benefits. They might include the contribution that libraries, museums and parks make to the social and cultural life and vibrancy of a city. The existence of externalities call for sharing of costs between the private beneficiaries and the community as a whole.

The differentiation of private and public goods and the identification of externalities are necessary for the strict apportionment of costs between private beneficiaries and the community as a whole. However, a clear differentiation is not easy because, in reality, very few goods and services can be treated as pure private or public; most goods and services have some characteristics of both private and public goods (mixed goods). This leads to the adoption of a mix of funding mechanisms.

2.3.3 THE PERIOD IN OR OVER WHICH THE BENEFITS ARE EXPECTED TO OCCUR

This is an important consideration to achieve 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 the allocation of capital expenditure, which provides benefits over time.

2.3.4 THE EFFECTS OF THE ACTIONS OR INACTION OF INDIVIDUALS OR A GROUP CONTRIBUTING TO THE ACTIVITY UNDERTAKEN

Council may have to undertake certain activities to remedy the negative effects of actions (or inactions) of individuals or groups of individuals; then the costs associated with such activities need to be recovered from appropriate sources. This principle (exacerbator or polluter pays principle) is particularly relevant to Council's regulatory functions and other activities undertaken to mitigate the adverse effects on the environment. It is important to note that the actions themselves may not be negative or "bad" but they may have negative effects on the whole community.

This principle can also be applied to developers who place demand on the city's infrastructure, including capital costs associated with growth effects.

2.3.5 THE COSTS AND BENEFITS OF FUNDING THE ACTIVITY DISTINCTLY FROM OTHER ACTIVITIES

This consideration includes transparency, accountability and some assessment of the cost efficiency and practicality of funding a particular activity separately – e.g. from user pays or targeted rates.

2.3.6 THE OVERALL IMPACT OF THE FUNDING MECHANISMS SELECTED ON THE COMMUNITY WELLBEING

The way in which costs are allocated and paid for can have a significant impact on the current and future social, economic, environmental and cultural wellbeing of the community. These wider impacts are likely to be different on different outcomes and it is possible to strike a balance among them by selecting appropriate funding mechanisms.

The funding sources that are available to a local authority under the Local Government Act 2002 and the Local Government (Rating) Act 2002 include rates, any differential rating system, Uniform Annual Charges (UACs) and the Uniform

Annual General Charge (UAGC), fees and charges, interest and dividends from investments, borrowing, proceeds from assets sales, development contributions, financial contributions under the Resource Management Act 1991, grants and subsidies and any other source.

2.4 OTHER LEGAL REQUIREMENTS

While the Revenue and Financing Policy is governed by the Local Government Act 2002, there are a number of other pieces of legislation that are relevant for determining appropriate funding mechanisms. They include:

2.4.1 LOCAL GOVERNMENT (RATING) ACT 2002

This Act, which replaces the Rating Powers Act 1988, provides simplified procedures for changing the rates system and greater flexibility in setting targeted rates. The new Act comes into effect for rating purposes for the year commencing 1 July 2003.

It sets out all the legal requirements for rating. It covers who is liable to pay rates, what land is rateable, what kind of rates may be set and how those rates are set, the valuation systems which may be used and the various rating mechanisms available (such as targeted rates). It also sets a number of limits on local government. For example, total uniform charges (excluding any UAC for water or wastewater) may not exceed 30% of total rates revenue.

2.4.2 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".

2.4.3 RESOURCE MANAGEMENT ACT, 1991

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. Alternatively, under the Local Government Act 2002, local authorities are allowed to seek development contributions or a combination of development and financial contributions under the respective Acts.

3 GENERAL POLICIES ON FUNDING AND SOURCES OF FUNDING

3.1 OPERATING EXPENDITURE

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

Operating expenditure includes the overhead costs. The way in which Council allocates its overheads to different areas of Council operation is important for the Revenue and Financing Policy, particularly for services that are funded fully or mostly from user charges. For these services it is important that overheads are generally 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 the portion of the cost of the overhead department that directly relates to service delivery areas. These overheads 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 mostly from rates.

3.1.1 GENERAL RATES AND DIFFERENTIALS

Council uses rates as the main source of funding of activities where individual beneficiaries cannot be identified and the allocation of costs to them is not practical or cost effective; or where a part of the benefits accrue to the whole community (directly or indirectly as externalities). In its decision making on rating policies, including differentials, Council has considered the factors set out in the Local Government Act 2002.

3.1.1.1 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; and
- Supported by the public.

In both the 1993 and 1998 reviews, public consultation indicated that there was a strong preference in the community for land value rating. Council therefore resolved to continue to rate based on land value.

3.1.1.2 Rating Differentials

Distribution of Benefits

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 that 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 3.1.1.5.
- ***The multi-unit differential.*** From a general rating perspective, a multi-unit property is a single rate account. Under the provisions of the Local Government (Rating) Act 2002, Council may charge each rating unit at least one Uniform Annual General Charge, and such charges may be imposed on each separately used or inhabited part of the rating unit. When such a Uniform Annual General Charge is levied on each separately used or inhabited property, Council will adjust the differential factors and bands of land value to which they apply.
- ***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 areas (areas without a sewerage system) of the City.

In the development of its 1998 Funding Policy, Council removed two existing differentials which had been in place for reasons 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.

The Period Over Which Benefits are Expected to Occur

The benefits of almost all the services funded by rates are spread over a longer period. They benefit people living in the City in the present and the future.

The Effects of the Actions or Inaction of Individuals or a Group Contributing to the Activity

Some costs that arise as a result of the actions or inaction of beneficiaries are funded by rates either because the exacerbators or polluters cannot be identified or it is not practical or cost efficient to allocate costs to them. Council also incurs costs in upgrading existing facilities and creating increased capacities to meet the demand created by the growth of the City.

Costs and Benefits of Funding the Activity Distinctly from Other Activities

Rates are applied to fund those activities because separate funding is either not practical or cost effective or not generating a net social benefit.

The Overall Impact of Funding on the Current and Future Social, Economic, Environmental and Cultural Wellbeing of the Community

Council considers the overall fairness of the rating system and whether any adjustment is needed to achieve a fair allocation of rates so that the current and future wellbeing of the community can be ensured. 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 is applied to some properties held for community purposes (such as reserves, halls, museums, crèches, etc.) as long as there is no private profit involved.

3.1.1.3 Other Differentials

- ***Watershed differential.*** Currently a legal maximum is set for the rating of watershed properties. Under the Local Government (Rating) Act 2002, there is no such limit placed. With respect to Watershed and reservoir land, Council may levy the same rate in the dollar as business sector properties and include the land in the business sector for the purpose of apportioning the sector's share of rates.
- ***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 guidelines relating to rates postponement are set out in the Rates Postponement Policy adopted in June 2004, under the Local Government (Rating) Act 2002.

3.1.1.4 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 7.6%.

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.

Identifying the Business Sector

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

- a) 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.
- b) 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.
- c) 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 grounds that:
 - most significant home-based businesses do require 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; and
 - 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.

3.1.1.5 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. Currently, the business sector differential calculation is guided by the following cost allocations determined during the last review of funding policy in 2000/2001.

- **Town Centre Revitalisation.** Fifty percent 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.** Fifty percent 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 run-off).
- **Wastewater.** Costs of wastewater are allocated to the business sector based on that sector's use of the water.

In each of the cases above, the analysis shows 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 7.6% (based on land valuation released by Quotable Value New Zealand in November 2001).

On the basis of qualitative assessment of spin-off effects of Town Centre Revitalisation, on June 13, 2002 Council resolved to fix the business sector rating differential at 20.5% of the rate requirement.

In view of the changes that have taken place in the City since the development of the funding policy in 2000/2001, the cost allocations to the business sector need to be reviewed. The Council may review this differential on an annual basis.

3.1.1.6 Uniform Annual General Charge (UAGC)

The Local Government (Rating) Act 2002 provides that Council may set a Uniform Annual General Charge as a fixed amount per rating unit or a fixed amount per separately used or inhabited part of a rating unit. A UAGC is imposed on all rateable properties and it is proposed to extend it to multi-unit properties and other properties with separately used parts (see Section 3.1.1.2).

Council sets the level of UAGC, as part of its Annual Plan process, within the legal limit that the proceeds from UAGC (excluding any sewerage Uniform Annual Charge) does not exceed 30% of the total rates and water revenue.

3.1.2 TARGETED RATES

The Local Government (Rating) Act 2002 has replaced the term “separate rates” with “targeted rates”, and provided wider powers and greater flexibility in targeting these rates to specific types of property.

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

Section 16 of the Act provides the criteria for setting of targeted rates:

“A local authority may set rate for one or more activities or groups of activities if those activities or groups of activities are identified in its funding impact statement as the activities or groups of activities for which targeted rate is to be set.”

The non-rateable properties are liable for targeted rates set solely for the water supply, sewage disposal or waste collection if any of these services is provided to that land. Council has identified water supply, wastewater, solid waste, Harbour View and rural sewerage in the Annual Plan as functions that may be funded from targeted rates if Council desires to do so.

3.1.3 FEES AND CHARGES

Council imposes fees and charges to recover either the full or a part of the cost of a variety of services provided. These include, for example, the regulatory services such as issuance of building consents and the provision of utilities such as water supply.

3.1.4 INTEREST AND DIVIDENDS

Council receives interest and dividends from investments, interest from special funds separately invested and sinking funds. Interest and dividends from investments is regarded as general revenue. Interest on special funds is credited back to the special funds and reinvested while interest on sinking funds accumulates in the fund and is eventually used to repay debt. Sinking funds are being phased out and will cease to exist after 2007.

3.1.5 GRANTS AND SUBSIDIES

Council receives grants and subsidies from several sources to cover a part of the operating cost of certain services such as roading, roadside vegetation control and litter and street cleaning (see Section 3.2.1).

3.1.6 BORROWING

Where Council makes a grant to any organisation for an asset being constructed by that organisation, Council may, at its discretion fund this grant from borrowing if the asset concerned would make a contribution to the realisation of community outcomes identified.

3.2 CAPITAL EXPENDITURE

Capital expenditure is the category of spending which creates a new asset, or extends the lifetime of an existing asset. The following sources are available for Council to fund capital expenditure:

- Grants and Subsidies
- Financial Contributions
- Development Contributions
- Loans
- Rates
- Proceeds from Asset Sales
- Other

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

3.2.1 GRANTS AND SUBSIDIES

Council receives subsidies from Transfund, which cover a 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 and stormwater.

3.2.2 DEVELOPMENT CONTRIBUTIONS AND FINANCIAL CONTRIBUTIONS

The Local Government Act 2002 (LGA 2002) provides for local authorities to recover, through development contributions, capital expenditure related to growth. Council may require development contributions from developments where the effect, including the cumulative effect, of development is to require new or additional assets or assets of increased capacity, and as a consequence, the Council incurs capital expenditure. This includes capital expenditure Council has already incurred in anticipation of growth.

The incurred capital expenditure itself must be to appropriately provide for community facilities required for the social, economic, environmental and cultural well-being of the community. Under the Local Government Act 2002, 'community facilities' are defined as reserves, community and network infrastructure.

The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. The Development Contributions and Financial Contributions Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Council will also continue to require financial contributions under the Resource Management Act 1991 (RMA) for reserves. The Development Contributions and Financial Contributions Policy is operative with effect from 1 July 2004.

3.2.3 LOANS

To preserve “intergenerational equity”, it is Council policy to spread the cost of capital expenditure over the life of the asset, by means of debt. Council will maintain debt at a prudent level in accordance with the Liability Management and Investment Policy.

3.2.3.1 Funding of Loan Costs

In general, loan costs allocated to a service (including interest and principal repayments) are funded in the same way as operating costs for the activity or service to which the loan relates.

3.2.3.2 Loan Repayment

Council makes provision in its Long Term Council Community Plan for a prudent programme of loan repayment.

3.2.4 RATES

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

3.2.5 ASSET SALES

Council owns, on behalf of the community, assets worth about \$1.4 billion. The great majority of these assets are required in order to deliver the services that 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 contribute to the achievement of community outcomes.

A few assets – a very small fraction of the total value – do not currently make a contribution to the identified community outcomes, 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 such 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 asset sale will go to repay debt, unless Council specifically directs that the funds be put to another use. Debt repayment will reduce Council’s overall level of debt and the interest costs.

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

Council may consider the sale of parks or roads where any sale and consequent use of funds would have an overall benefit to the community. The same principle will be applied to other individual assets that are part of an essential service provided by Council.

For details on the management of loans and debt, please refer to Council’s Liability Management and Investment Policy.

3.2.6 OTHER SOURCES (SPECIAL FUNDS)

Special funds are funds which have either been received by Council from a third party to be used in a specific way (Restricted Funds) or monies tagged by Council to be applied for a specific purpose or area of benefit (Non Restricted Funds).

4 SUMMARY OF FUNDING SOURCES BY STRATEGIC PLATFORM (√√ MAJOR CURRENT FUNDING, √ MINOR OR FUTURE FUNDING)

Activities under Strategic Platforms	General Rates	Targeted Rates	Fees & Charges	Borrowing	Asset Sales ¹	Development Contributions	Financial Contributions	Grants & Subsidies	Any Other Source
<u>URBAN and RURAL VILLAGES</u>									
<u>Operating Costs</u>									
Policy Development & Planning	√√	√	√					√	√
District Plan	√√	√	√					√	√
Town Centre Revitalisation	√√	√						√	√
Amenity & Heritage	√√	√	√					√	√
City Image Services	√√	√	√					√	√
Community Centres	√√	√	√√					√	√
Community Houses & Halls	√√	√	√					√	√
Cemetery & Crematorium	√√	√	√√					√	√
Parking Services	√√	√	√√					√	√
Parks & Green Assets	√√	√	√					√	√
All Other Services	√√	√	√					√	√
<u>Capital Expenditure</u>									
Community Centres	√	√		√√	√	√	√	√	√
Halls	√	√		√√	√	√	√	√	√
Community Houses	√	√		√√	√	√	√	√	√
Cemetery	√	√		√√	√	√	√	√	√
Parking Services	√	√		√√	√	√	√	√	√
Parks	√	√		√√	√	√√	√	√	√
Town Centre Revitalisation	√	√		√√	√	√√	√	√	√
All Other Services	√	√		√√	√	√	√	√	√

¹ Proceeds from asset sales will go to repay debt, unless Council directs that funds be used for other purposes.

Activities under Strategic Platforms	General Rates	Targeted Rates	Fees & Charges	Borrowing	Asset Sales ¹	Development Contributions	Financial Contributions	Grants & Subsidies	Any Other Source
<u>TRANSPORT and COMMUNICATION</u>									
<u>Operating Costs</u>									
Policy Development & Planning	√√	√	√					√	√
Roading	√√	√	√					√√	√
Passenger Transport Facilities	√√	√	√					√	√
Footpaths & Cycleways	√√	√	√					√	√
Streetlights	√√	√	√					√	√
Road Safety Services & Traffic Management	√√	√	√					√	√
Telecommunications	√√	√	√					√	√
All Other Services	√√	√	√					√	√
<u>Capital Expenditure</u>									
Roading	√	√		√√	√	√	√	√√	√
Passenger Transport	√	√		√√	√	√	√	√	√
Footpaths & Cycleways	√	√		√√	√	√	√	√	√
Streetlights	√	√		√√	√	√	√	√	√
Road Safety Services & Traffic Management	√	√		√√	√	√	√	√	√
All Other Services	√	√		√√	√	√	√	√	√

¹ Proceeds from asset sales will go to repay debt, unless Council directs that funds be used for other purposes.

FUNDING SOURCES BY STRATEGIC PLATFORM (√√ Major Current Funding, √ Minor or Future Funding)

Activities under Strategic Platforms	General Rates	Targeted Rates	Fees & Charges	Borrowing	Asset Sales ¹	Development Contributions	Financial Contributions	Grants & Subsidies	Any Other Source
<u>STRONG INNOVATIVE ECONOMY</u>									
<u>Operating Costs</u>									
Policy Development & Planning, including Regional Policy Initiatives (AREDS)	√√	√	√					√	√
Business Survey	√√	√	√					√	√
City Promotion, Business Attraction & Tourism	√√	√	√					√	√
Waitakere Enterprise Board	√√	√	√					√	√
<u>Capital Expenditure</u>									
All Other Services	√	√		√√	√	√	√	√	√

¹ Proceeds from asset sales will go to repay debt, unless Council directs that funds be used for other purposes.

Activities under Strategic Platforms	General Rates	Targeted Rates	Fees & Charges	Borrowing	Asset Sales ¹	Development Contributions	Financial Contributions	Grants & Subsidies	Any Other Source
<u>STRONG COMMUNITIES</u>									
<u>Operating Costs</u>									
Policy Development & Planning	√√	√	√					√	√
Community Liaison & Community Support	√√	√	√	√				√√	√√
Arts & Events	√√	√	√					√	√
Advocacy & Partnerships	√√	√	√					√√	√
First Call for Children	√√	√	√					√	√
Community Safety, Health & Support (CABx)	√√	√	√					√√	√
Emergency Services	√√	√	√					√	√
Libraries & Information Services	√√	√	√					√	√
Aquatic Centre	√√	√	√√					√	√
Sports Fields	√√	√						√	√
Housing for Older Adults	√	√	√√					√	√
Building Control & Property Information	√√	√	√√					√	√
Animal Control & Welfare	√√	√	√√					√	√
All Other Services	√√	√	√					√	√
<u>Capital Expenditure</u>									
Arts & Events	√	√		√√	√	√	√	√	√
Emergency Management	√	√		√√	√	√	√	√	√
Libraries	√	√		√√	√	√	√	√	√
Aquatic Centre	√	√		√√	√	√	√	√	√
Sports Fields	√	√		√√	√	√√	√	√	√
All Other Services	√	√		√√	√	√	√	√	√

¹ Proceeds from asset sales will go to repay debt, unless Council directs that funds be used for other purposes.

FUNDING SOURCES BY STRATEGIC PLATFORM (√√ Major Current Funding, √ Minor or Future Funding)

Activities under Strategic Platforms	General Rates	Targeted Rates	Fees & Charges	Borrowing	Asset Sales ¹	Development Contributions	Financial Contributions	Grants & Subsidies	Any Other Source
<u>ACTIVE DEMOCRACY</u>									
<u>Operating Costs</u>									
Policy Development & Planning	√√	√	√					√	√
Services Supporting Democratic Process	√√	√	√					√	√
Community Participation	√√	√	√					√	√
Iwi & Maori Partnerships	√√	√	√					√	√
Monitoring & Operational Support	√√	√	√					√	√
All Other Services	√√	√	√					√	√
<u>Capital Expenditure</u>									
All Other Services	√	√		√√	√	√	√	√	√

¹ Proceeds from asset sales will go to repay debt, unless Council directs that funds be used for other purposes.

Activities under Strategic Platforms	General Rates	Targeted Rates	Fees & Charges	Borrowing	Asset Sales ¹	Development Contributions	Financial Contributions	Grants & Subsidies	Any Other Source
GREEN NETWORK									
Operating Costs									
Policy Development & Planning	√√	√	√					√	√
Restoration Projects	√√	√	√					√	√
Weed & Roadside Vegetation Control	√√	√	√					√√	√
Wilderness, Parks, Walkways, Amenity & Community Planting	√√	√	√					√	√
Resource Management & District Plan	√√	√	√					√	√
Resource Consents & Building Consents	√√	√	√√					√	√
Advice & Information	√√	√	√					√	√
Enforcement & Field Services	√√	√	√√					√	√
Community Projects & Economic Incentives	√√	√	√					√	√
Planting Maintenance	√√	√	√					√	√
All Other Services	√√	√	√					√	√
Capital Expenditure									
Animal Welfare	√	√		√√	√	√	√	√	√
Enforcement & Field Services	√	√		√√	√	√	√	√	√
Parks & Green Assets	√	√		√√	√	√√	√	√	√
All Other Services	√	√		√√	√	√	√	√	√

¹ Proceeds from asset sales will go to repay debt, unless Council directs that funds be used for other purposes.

Activities under Strategic Platforms	General Rates	Targeted Rates	Fees & Charges	Borrowing	Asset Sales ¹	Development Contributions	Financial Contributions	Grants & Subsidies	Any Other Source
<u>THREE WATERS</u>									
<u>Operating Costs</u>									
Policy Development & Planning	√√	√	√					√	√
Wastewater ²	√	√√	√					√	√
Stormwater	√√	√	√					√	√
Water Supply	√	√	√√					√	√
All Other Services	√√	√	√					√	√
<u>Capital Expenditure</u>									
Wastewater	√	√		√√	√	√	√	√	√
Stormwater	√	√		√√	√	√√	√	√	√
Water Supply	√	√		√√	√	√	√	√	√
All Other Services	√	√		√√	√	√	√	√	√

¹ Proceeds from asset sales will go to repay debt, unless Council directs that funds be used for other purposes.

² Technical modification to current funding method.

Activities under Strategic Platforms	General Rates	Targeted Rates	Fees & Charges	Borrowing	Asset Sales ¹	Development Contributions	Financial Contributions	Grants & Subsidies	Any Other Source
SUSTAINABLE ENERGY & CLEAN AIR									
Operating Costs									
Policy Development & Planning	√√	√	√					√	√
Emission Testing	√√	√	√					√	√
Demonstration Projects	√√	√	√					√	√
All Other Services	√√	√	√					√	√
Capital Expenditure									
All Other Services	√	√		√√	√	√	√	√	√

¹ Proceeds from asset sales will go to repay debt, unless Council directs that funds be used for other purposes.

Activities under Strategic Platforms	General Rates	Targeted Rates	Fees & Charges	Borrowing	Asset Sales ¹	Development Contributions	Financial Contributions	Grants & Subsidies	Any Other Source
ZERO WASTE									
Operating Costs									
Policy Development, Planning & Education	√√	√	√					√	√
Cleaner Production & Partnerships	√√	√	√					√	√
Waste Collection & Disposal	√	√√	√√					√	√
Recycling	√	√√	√					√	√
Resource Recovery	√	√√	√					√	√
Litter Services in Town Centres & Enforcement of By-Laws	√	√√	√					√√	√
Assistance to Community Initiatives	√	√√	√					√	√
Aftercare	√	√√	√					√	√
All Other Services	√	√√	√					√	√
Capital Expenditure									
Waste Collection & Disposal	√	√		√√	√	√	√	√	√
Aftercare	√	√		√√	√	√	√	√	√
All Other Services	√	√		√√	√	√	√	√	√

¹ Proceeds from asset sales will go to repay debt, unless Council directs that funds be used for other purposes.

5 URBAN AND RURAL VILLAGES

5.1 COMMUNITY OUTCOME

Town Centres are thriving places, providing exciting options for people to live, work and play. Public facilities, places and spaces teem with people; the streets are alive and busy.

The Urban and Rural Villages Strategic Platform 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, work and play, 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.

Funding sources of activities in the Urban and Rural Villages Strategic Platform are described under the following headings:

- Growth and Revitalisation
- Amenity and Heritage
- Local Parks
- Community Buildings

5.2 GROWTH AND REVITALISATION

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
<p>Policy development</p> <p>Town Centre Revitalisation (allocated between the business sector and the rest of the community)</p> <p>Car Parking Facilities (allocated between the business sector and the rest of the community)</p>	<p>Resource Consents</p> <p>User charge proposed for Car Parking Facilities</p>	<p>Businesses or others who benefit directly may fund some town centre revitalisation work</p> <p>Development contributions to meet the costs associated with growth.</p> <p>Developers and residents, or others who benefit directly, may fund some structure planning work</p>

Council's activities under Growth and Revitalisation fall into three main areas, which are analysed separately:

- Resource Management function relevant to urban growth and to city revitalisation
- The Town Centre Revitalisation function
- Car Parking Facilities

5.2.1 RESOURCE MANAGEMENT, PLANNING AND POLICY DEVELOPMENT

See Green Network – Section 10.5 for details.

5.2.2 TOWN CENTRE REVITALISATION

5.2.2.1 Distribution of Benefits

Redevelopment of town centres primarily 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.

5.2.2.2 The Period In or Over which the Benefits are Expected to Occur

The benefits of growth and revitalisation of town centres are likely to spread over the short to longer-term period.

5.2.2.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity is not undertaken to mitigate any negative effects arising from the actions or inactions of individual or groups of individuals. However, upgrading of existing facilities and creation of new facilities may be required to meet the demand created by the growth of the City.

5.2.2.4 The Costs and Benefits of Funding Distinctly from Other Activities

Funding of these activities from user charges is not practicable because it is not possible to identify the individual beneficiaries. The allocation of an appropriate share of operating costs to the group of beneficiaries – the business sector – through rates differential is a practical and cost-effective method of funding the services that benefit this group.

5.2.2.5 Funding Sources

The great majority of costs in this area are capital costs associated with the creation of new assets in town centres. Capital costs associated with developing and upgrading of town centres to provide for growth will be funded through development contributions. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. The Development Contributions and Financial Contributions Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Council will also continue to require financial contributions under the Resource Management Act 1991 (RMA) for reserves. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

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 targeted rate, with the appropriate level of such a rate to be determined on a case-by-case basis.

5.2.2.6 The Overall Impact of the Funding Mechanism

The overall impact of cost sharing on the basis of benefits derived is likely to be favourable on the current and future social, economic, environmental and cultural wellbeing of the community.

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 lynchpin of Council's urban consolidation and transport strategy, the whole city benefits, including businesses in the immediate area and businesses in general. The allocation of operating expenditure between the business sector and the rest of the community will contribute to achieving this objective and the overall current and future social, economic, environmental and cultural wellbeing of the community.

5.2.3 CAR PARK PROVISION AND MAINTENANCE (EXCLUDING PARK AND RIDE)

5.2.3.1 The Distribution of Benefits

Car parks are provided mostly in commercial areas for the benefit both of the people who park there and the business owners. The benefits of car parking facilities therefore accrue to both local businesses and the rest of the community. Other car parks are provided for users of community facilities including parks and community buildings.

5.2.3.2 The Period In or Over which the Benefits are Expected to Occur

The benefits of car parking facilities occur both in the short and the long term.

5.2.3.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

The funding of this activity does not arise because of negative effects of actions or inactions of specific individuals or groups of individuals. However, Council needs to undertake this activity in part to meet the demand created by the growth of the City.

Motor vehicle users are also exacerbators as road use contributes to environmental pollution. The funding policy on car parks may have an indirect effect on the environment through the influence on the choice of mode, frequency and destination of travel.

5.2.3.4 The Cost and Benefits of Funding the Activity Distinctly from Other Activities

The adoption of user pays method to fund car parks will encourage more efficient use of land in urban areas and private motor vehicles. It will also encourage people to use alternative modes of transport as the cost of using private motor vehicles increases. The transaction cost of a user pays charging system is not clear and it is important to weigh these costs against medium and long term social, economic and environmental benefits.

5.2.3.5 Funding Sources

Generally, operating costs of car parks (except Henderson long term leases) are funded from rates. Costs are allocated between the business sector and the rest of the community through the business sector differential outlined in Section 3.1.1.5.

In view of the scarcity of land in business areas of the City, the increasing demand for car parking and the environmental implications of encouraging private motor vehicle use, there is a case for re-examining the merits of rates funding of car parks.

Council may introduce charge parking initially as a pilot project in Henderson. The pilot project will provide a basis for Council to fully evaluate the impact of charge parking.

Capital costs of new parks or parking facilities needed because of population growth will be funded from development contributions. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. The Development Contributions and Financial Contributions Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

5.2.3.6 The Overall Impact of the Funding Mechanism

The current funding policy is based on the assumption that parking charges may encourage people to shop outside Waitakere City and that this in turn may affect local businesses and increase the length of vehicle trips. The application of the business sector differential is intended to reflect cost allocation according to the distribution of benefits. Rates funding may also have beneficial effects on disadvantaged groups in the community.

However, rates funding of car parking does not take into account the scarcity of land in the urban centres, the effect on urban design and the environmental cost of encouraging private motorcar use within the City. These issues need to be revisited. The overall impact of charge parking will be evaluated, based on the pilot project in Henderson.

5.3 AMENITY AND HERITAGE

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
<p>Work in Town Centres</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>Capital expenditure will be funded from appropriate sources as outlined in Section 3.2</p>

Council's activities under the Amenity and Heritage grouping 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

5.3.1 AMENITY AND HERITAGE (RESOURCE MANAGEMENT)

5.3.1.1 The Distribution of Benefits

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 consents 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 very significant in this activity.

Advice and information primarily benefits the person asking for the advice.

5.3.1.2 The Period In or Over which the Benefits are Expected to Occur

The benefits of resource management (amenity and heritage) will spread over a longer-term period.

5.3.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to the Activity

Regulatory services are provided to deal with the potential negative effects that may arise from actions or inactions of the applicant. These negative effects can have implications for the sustainable development of the City.

5.3.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

User charges and fines encourage compliance with the regulations, which are intended to benefit the community. There are practical problems in charging for giving verbal advice so 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.

5.3.1.5 Funding Sources

The costs of this activity 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 are funded mainly from rates.

5.3.1.6 The Overall Impact of the Funding Mechanism

Sharing of costs associated with resource consents on the basis of benefits derived will have a favourable overall impact on the current and future social, economic, environmental and cultural wellbeing of the community. User charges and fines in particular contribute to minimise the negative effects of actions on the environment.

5.3.2 CITY IMAGE

5.3.2.1 The Distribution of Benefits

The services provided by this sub activity improve the general appearance of the City. Services in town centres benefit the community as a whole in general, and the business sector in particular.

5.3.2.2 The Period Over Which Benefits are Expected to Occur

The benefits of city image will occur both in the short and the long term.

5.3.2.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

Some of the costs associated with Amenity and Heritage arise because of the actions by certain people (for example, graffiti and litter control costs). 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 cannot be recovered applying the polluter pays principle.

5.3.2.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding of this activity from user pays is not practicable, but allocation of an appropriate share of costs to the group of beneficiaries – the business sector – through rates differential is a desirable and cost effective method of funding the services that benefit this group.

5.3.2.5 Funding Sources

For the reasons stated above, under Town Centre Revitalisation, the operating costs of City Image services in town centres is allocated to the community overall and to the business sector through business sector differential as outlined in Section 2.1.1.5.

The costs so allocated can best be recovered through rates. Some enforcement costs can be recovered through fines (so that it is only the net costs which need to be recovered from rates).

5.3.2.6 The Overall Impact of the Funding Mechanism

The overall impact of cost sharing on this basis reflects the increased benefit to local business of attractive and clean town centres. It aims to support Council's sustainable economic development objectives by encouraging people to shop locally, start new businesses and choose to locate their business activity in Waitakere City as opposed to neighbouring cities. It contributes to safer environments, in part due to more people and surveillance on City streets. It can also work to increase social connection through bringing people together in a range of city spaces.

5.3.3 HERITAGE BUILDINGS

5.3.3.1 The Distribution of Benefits

The maintenance of heritage buildings benefits not only those who directly use the building, but also the community as a whole in terms of preserving the City's character and history.

5.3.3.2 The Period Over Which Benefits are Expected to Occur

The benefits of maintenance of heritage buildings will occur both in the short and the long term.

5.3.3.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity is not undertaken to mitigate any negative effects arising from the actions or inactions of individual or groups of individuals.

5.3.3.4 The Costs and Benefits of Funding the Activity

Funding an appropriate part of the costs from a mix of user charges would encourage more efficient use of the facilities and generate a net benefit to the community.

5.3.3.5 Funding Sources

The considerations stated above could best be met by a combination of rentals for users of Council-owned heritage buildings and rates.

5.3.3.6 The Overall Impact of the Funding Mechanism

The entire community benefits from the preservation of the City's built heritage, by retaining connections with the City's recent past and contributing to City identity and sense of place. Some contribution from those occupying a heritage building is appropriate to reflect their immediate benefit, and to avoid the cost burden to the community.

5.4 LOCAL PARKS

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Parks operations and maintenance		Capital expenditure will be funded from appropriate sources as outlined in Section 3.2

5.4.1 PARKS OPERATIONS AND MANAGEMENT

5.4.1.1 The Distribution of Benefits

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, the community overall benefits from the ecological role that parks perform and from the enhanced attractiveness provided to the city. Parks also play an important role as a natural filter in storm water management, which benefits the community as a whole. Private individuals benefit from the use of parks for leisure and recreational purposes, which in turn, produces benefit to the community as a whole. Sometimes parks are also used for commercial purposes that generate private benefits.

5.4.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of operation and maintenance of parks accrue in the short and long term.

5.4.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity does not arise because of negative effects of actions or inactions of specific individuals or groups of individuals. However, Council needs to undertake this activity in part to meet the demand created by the growth of the City.

5.4.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Although parks provide private benefits, it is extremely difficult and costly and also undesirable to exclude the general public from using parks. In fact, to ensure that benefits are maximised, it is desirable to encourage as many people as possible to use the city's parks.

Funding of this activity distinctly from other activities may discourage intensive use of parks by the community, leading to a reduction of the social benefits expected from this service. For this reason the costs associated with maintenance of passive amenity areas need to be allocated to the community as a whole. However, in instances where parks are used for commercial purposes, an application of a charge is beneficial 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 developments result in more intensive use of the city's parks facilities – creating demand for additional or improved facilities.

It is cost effective and transparent to fund capital costs of new parks or parks facilities provided for population growth from development contributions. This will be beneficial to the community as a whole.

5.4.1.5 Funding Sources

The considerations stated above could best be met by funding operational costs associated with local parks mainly from rates. However, where parks are used for commercial activities, a suitable fee may be charged.

Capital costs to provide for new parks or parks facilities, needed because of City growth, are funded from financial / development contributions. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. The Development Contributions and Financial Contributions Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Council will also continue to require financial contributions under the Resource Management Act 1991 (RMA) for reserves. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

5.4.1.6 The Overall Impact of the Funding Mechanism

The 'existence value' of high quality, diverse parks in the City is of benefit to the wider community, as well as the direct benefits they provide to the thousands of people who use them on a regular basis. While the funding mechanism reflects the strong and widespread benefits derived from parks, the cost of new parks needed as a result of population growth will be borne by the developers who benefit financially from new housing and subdivisions. The application of charges for commercial usage of parks reflects the private benefits derived with little public benefit. These methods of funding would contribute to the overall current and future social, economic, environmental and cultural wellbeing of the community.

5.5 COMMUNITY BUILDINGS

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Community Centres (part), community houses and halls	Community Centres (part)	Capital expenditure will be funded from appropriate sources as outlined in Section 3.2

5.5.1 COMMUNITY CENTRES AND COMMUNITY HALLS

5.5.1.1 The Distribution of Benefits

Community buildings provide both public and private benefits. The level of public and private benefits differs with different uses; some uses of halls (e.g. Weddings and 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 and other social service groups that provide a service to the local community generate significant public benefits.

5.5.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of providing community buildings will spread from short to long term.

5.5.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity does not arise because of negative effects of actions or inactions of specific individuals or groups of individuals. However, Council needs to undertake this activity in part to meet the demand created by the growth of the City.

5.5.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding of a part of the costs from user charges is likely to generate a net benefit to the community in the form of efficient allocation of community resources.

5.5.1.5 Funding Sources

The considerations stated above suggest a combination of rates and user charges to fund the community buildings. 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.

Capital costs associated with developing and upgrading community buildings to provide for growth will be funded through development contributions. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. This Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse

effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

5.5.1.6 The Overall Impact of the Funding Mechanism

Council views its network of community buildings as an important part of its Urban and Rural 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. Funding of community buildings by a combination of user charges and rates will have a favourable overall impact on the current and future social and cultural wellbeing of the community.

5.6 CEMETERY AND CREMATORIUM

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Park and heritage aspects of the Cemetery and Crematorium	Costs associated with burial and crematorium services	Capital expenditure will be funded from appropriate sources as outlined in Section 3.2

5.6.1 CEMETERY AND CREMATORIUM

5.6.1.1 The Distribution of Benefits

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

5.6.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of these activities will accrue both in the short and the long term.

5.6.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

Council is obliged by law to provide cemetery services and also chooses to provide cremation services. There is also a heritage and park aspect to the Waikumete Cemetery, which does not arise because of any negative effects. In part, these activities are also needed to cope with the effects of the City's growth.

5.6.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

The funding of operating expenditures related to burial and crematorium services distinctly from the heritage and parks aspects is cost effective and beneficial to the community because such costs are allocated to the private beneficiaries.

It is not cost effective or practicable to allocate the costs related to heritage and park aspects of this activity.

There is no financial burden to the current ratepayers if capital expenditures due to growth are funded from development contributions. Where it is not possible to collect development contributions, capital expenditure needs to be funded in accordance with the policy outlined under Section 3.2

5.6.1.5 Funding Sources

The considerations stated above can be best met by user charges for burial and crematorium services and rates funding for heritage and park aspects of the function.

Capital costs associated with developing and upgrading the facilities to provide for growth will be funded through development contributions. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. This Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

5.6.1.6 The Overall Impact of the Funding Mechanism

The adoption of a mix of financing methods stated above to fund these activities enables Council to achieve a balance in the overall impact on the current and future social, economic, environmental and cultural wellbeing of the community.

6 INTEGRATED TRANSPORT AND COMMUNICATION

6.1 COMMUNITY OUTCOME

Waitakere has public transport and communication systems that provide fast, effective services to the whole City. City travel demonstrates integrated, environmentally responsible and innovative design.

The Transport area of this Strategic Platform 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. The Communications area is concerned with the development of telecommunication strategy for the city with Waitakere On-Line and easy access to telecommunication resources. This also includes policy advice on matters related to communication development.

Activities in the Transport and Communications Platform are structured into four groups:

- a) Passenger Transport – General
- b) Passenger Transport – Facilities
- c) Access and Travel Choice
- d) Policy development and advocacy relating to telecommunication development.

6.2 PASSENGER TRANSPORT – GENERAL

Main Sources of Funding

<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

6.2.1 PASSENGER TRANSPORT PLANNING AND POLICY DEVELOPMENT

6.2.1.1 The Distribution of Benefits

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.

Public transport also generates social benefits by reducing the negative environmental effects caused by private motor vehicle use.

6.2.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of planning passenger transport facilities will occur both in the short and the long term.

6.2.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity is needed in part to reduce the negative environmental effects of motor vehicle use. Additionally, Council needs to undertake this activity, in part, to meet the demand created by the growth of the City.

6.2.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding these costs from the beneficiaries and exacerbators is a transparent and effective method of funding, but there are no legal means available for Council to adopt direct user charges for these services.

6.2.1.5 Funding Sources

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.

The subsidy available from Transfund, which is funded from fuel excise tax, and motor vehicle charges and fees, may provide partial support for these activities. Council has no legal means of recovering costs directly from road users. Therefore, all direct costs to Council must be allocated to the community as a whole and recovered through rates.

Many of the activities in this group 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.

6.2.1.6 The Overall Impact of the Funding Mechanism

The distribution of benefits and the negative external effects of car use suggest 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.

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 and a reduction in environmental pollution. 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.

The overall impact on the current and future social, economic, environmental and cultural wellbeing of the community is likely to be more favourable if a higher proportion of cost is allocated to road users.

6.3 PASSENGER TRANSPORT FACILITIES

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
<p>Bus shelter construction and maintenance</p> <p>Costs associated with park and ride</p>		<p>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</p> <p>Capital expenditure will be funded from appropriate sources as outlined in Section 3.2.</p>

6.3.1 PASSENGER TRANSPORT FACILITIES – BUS SHELTERS AND PARK AND RIDE FACILITIES

6.3.1.1 The Distribution of Benefits

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 among 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 encouraging the use of rail transport.

6.3.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of providing passenger transport facilities will spread over a long time period.

6.3.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity is needed in part to reduce the negative environmental effects of private motor vehicle use and, in part, to meet the demand created by the growth of the City.

6.3.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding the costs attributable to exacerbators and beneficiaries from user charges is a transparent method of funding, but there are no legal means to do so. Charging for some services such as bus shelters is not practicable, cost effective or desirable; it would reduce the overall effectiveness of this activity and the overall social, economic and environmental benefits expected.

6.3.1.5 Funding Sources

There is no subsidy available from Transfund to support the majority of these activities. This means that the allocation of costs purely on the basis of beneficiary pays or polluter pays principles cannot be achieved and that all costs must be allocated to the community as a whole and recovered through rates or other sources. Some specific projects may however be able to attract subsidies from Transfund, Infrastructure Auckland and Auckland Regional Council.

Capital costs associated with developing and upgrading facilities to provide for growth will be funded through development contributions. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. This Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

6.3.1.6 The Overall Impact of the Funding Mechanism

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.

Council's decision that people who use passenger transport should not bear any of the cost of bus shelter and park and ride facilities is based on the consideration of the overall impact on the social and environmental wellbeing of the community.

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 reallocation of costs from passenger transport users to both the community as a whole and to private motor vehicle users.

6.4 ACCESS AND TRAVEL CHOICE

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Footpaths Kerb and channel Most car parks Roading costs not recovered from Transfund Costs relating to heavy vehicles are allocated to the business sector	Some long-stay car parking A part of the eligible capital works and of related maintenance works will be recovered from Transfund	Some works may be funded by those who benefit, by grants or sponsorship or through a targeted rate Capital expenditure will be funded from appropriate sources as outlined in Section 3.2

Access and Travel Choice cluster includes five main activities, which are analysed separately:

- Footpaths and cycleways
- Roads
- Streetlights
- Road safety services and traffic management

6.4.1 FOOTPATHS AND CYCLEWAYS

6.4.1.1 The Distribution of Benefits

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. These footpaths benefit the individual property owners. 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.

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 most those who live in close proximity; however footpaths are one of the classic examples of public goods. They are non-excludable (unless they are on private property it is not practicable to stop anyone from using them), and to a large extent, 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 or growth) need to 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 costs of cycleways need to 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 practicable to identify the individuals that benefit 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 users 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.

6.4.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of footpaths accrue both in the short and the long term.

6.4.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity is not undertaken to mitigate any negative effects arising from the action or inactions of individual or groups of individuals. However, Council needs to undertake this activity in part to meet the demand created by the growth of the City.

6.4.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding of this activity from a mix of sources, rather than entirely from rates, is likely to generate more net benefits. Specifically, financial or development contributions to fund footpaths in new subdivisions will contribute to efficient allocation of Council resources.

6.4.1.5 Funding Sources

These considerations can best be met by funding maintenance of footpaths from general rates and using financial contributions to fund the provision of footpaths in new subdivisions (with developers constructing footpaths at Council-set standards).

The funding of cycleways may include a component of subsidy from car drivers (via Transfund).

Capital costs of developing and upgrading footpaths and cycleways that are required to service population growth will be funded through development contributions. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. This Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

6.4.1.6 The Overall Impact of the Funding Mechanism

Walking and cycling are the most basic land transport modes available to all. 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.

The funding mix adopted not only ensures the construction of footpaths and cycleways to meet the City's growth but also encourages the use of these facilities. The cost sharing on the basis outlined before will have a favourable overall impact on the current and future social, economic, environmental and cultural wellbeing of the community.

6.4.2 ROADS

6.4.2.1 The Distribution of Benefits

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); and
- 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 difficult to label the beneficiaries of road network because of joint consumption and externalities. Regardless of road usage, all residents are likely to receive some benefit from roads.

In addition to transport, road reserves are used for locating water, power and telecommunication infrastructure. All these uses can be seen as forms of private goods – but, with the exception of people travelling on roads, it is not usually possible to identify those who benefit (or exclude them for receiving benefits).

Access is a fundamental right in the Bill of Rights. It is not practicable or cost effective to exclude people from using most roads as pedestrians or cyclists. Thus, such roads have some characteristics of public goods.

Even if roads are treated as private goods, they generate considerable amounts of public (social) benefits. Road systems provide vital networks for our cities depending on where they are located. The provision of fire, police, ambulance and school bus services depend upon the existence of the road network. They structure city form and facilitate social and economic transactions. Communities depend on roads for the transportation of vital goods and access to essential services. 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.

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.

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. In many cases, the people who live closest to the upgrade will benefit the most.

The distribution of benefits of kerb and channel upgrades is slightly different. The outcomes of this work are improved stormwater control that benefits local residents as well as the community as a whole. They also provide safety, which is a benefit to road users.

6.4.2.2 The Period In or Over which Benefits are Expected to Occur

The benefits of road facilities occur both in the short and the long term.

6.4.2.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

There are negative environmental effects arising from the use of roads, such as air and stormwater pollution, noise pollution, erosion of the road surface, and loss of amenity. These also have negative impacts on the community.

Heavy vehicles account for most of the wear and tear, and therefore the renewal and maintenance costs, on the city's roads.

These considerations suggest the application of exacerbaters pays principle to fund road maintenance costs.

Upgrading of existing roads and facilities is required to meet the demand created by growth of the City.

6.4.2.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Maintenance and upgrading of existing roads and facilities. Funding of these services from user pays is likely to mitigate the negative environmental effects of road usage. This implies that costs should be allocated to the exacerbators – road users. However this activity also benefits businesses and the rest of the community.

The proportion of costs that should be allocated to each group depends on the type of road, the type of vehicle and the nature of the benefit. Council believes that the costs of maintaining roads should be shared between road users and the community. The community share should be allocated between the business sector and the rest of the community, with the business sector bearing the major portion of community share because of the fact that heavy vehicles cause much more damage to roads than cars.

However, it is not possible to allocate costs of maintenance and upgrading to road users beyond the amount that can be recovered from Transfund. The transfer of costs that cannot be recovered from road users to the rest of the community tends to reduce the environmental benefits anticipated from user charges.

Provision of new facilities. The allocation to the developers of costs of developing the roads and roading facilities as a consequence of new subdivisions ensures that ratepayers who have already paid for their share do not fund the costs of new developments.

6.4.2.5 Funding Sources

Maintenance of existing facilities. The allocation of costs entirely on the basis of beneficiary pays or polluter pays principles cannot be carried out by legally available funding mechanisms. Council has no legal means of charging road users directly. The Transfund subsidy, which covers a part of the cost, is an indirect allocation of costs to road users.

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.

The funding sources available to Councils for land transport are expected to be broadened when the Land Transport Bill is enacted. In the interim period, Council will continue to use the maximum level of Transfund subsidy and fund the residual costs from rates.

Provision of new facilities. The allocation of costs on the basis of beneficiary pays principle can best be met by levying financial or development contributions for the costs of growth or by requiring developers to construct roading assets to standards set by Council.

Capital expenditure that is not wholly related to growth cannot be recovered from developers and is funded as detailed in section 3.2. Where Council develops an area or provides new facilities, betterment may be able to be recovered from the surrounding property owners.

Where a new development takes place, the developer pays for all of the minimum development stipulated in the consent. At times, Council requests the developer

to provide facilities over and above this minimum, in which case these are funded as detailed in Section 3.2.

Capital expenditures related to the costs of growth will be recovered from developers as development contributions (for those costs that can be linked to the new development) The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. This Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

Upgrading of existing facilities. The costs can be met by utilising Transfund subsidies where available and any residual costs will be funded from other sources outlined in Section 3.2. Transfund subsidies fall short of the costs allocated to road users – but Council has no other legally available mechanism for charging road users.

Capital cost of upgrading existing facilities to provide for the City's growth will be recovered from development contributions.

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 targeted rate.

6.4.2.6 The Overall Impact of any Allocations of Liability for Revenue Needs

Roading is not a goal in itself – it facilitates access to people, goods and services. Council's strategy for Urban and Rural Villages recognises the need to create a city form which minimises the need for car-based trips, reduces the length of trips and increases walking, cycling, ridesharing and the use of passenger transport. It is important that the cost of roads is made explicit to those that use them – reinforcing the user pays principle. This will have a favourable overall impact on the current and future environmental wellbeing of the community.

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. This may have a favourable overall impact on the current social wellbeing of the community.

Council does not believe that "ability to pay" is a reason to modify cost sharing on the basis of beneficiary pays principle, however it does consider that an attractive passenger transport system should be provided (at a regional level) as a pre-requisite before user charges for roads can be introduced.

6.4.3 STREETLIGHTS

6.4.3.1 The Distribution of Benefits

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.

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.

The benefits of providing streetlights accrue mainly to two groups – motorists and pedestrians, while the community as a whole also derive some benefit in the form of improved safety and security.

Maintenance of existing streetlights. This component of the expenditure presents similar issues to those of installation of new streetlights in existing areas.

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 street lighting so that it benefits pedestrians as well as car users.

6.4.3.2 The Period In or Over which Benefits are Expected to Occur

The benefits of providing streetlights accrue both in the short and the long term.

6.4.3.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity does not arise because of negative effects or actions or inactions of specific individuals or groups of individuals. However, Council needs to undertake this activity in part to meet the demand created by the growth of the City.

6.4.3.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Provision of new streetlights. The costs of installing streetlights as a consequence of new subdivisions are allocated to the developers. This benefits the community because the costs that generate private benefits are not shifted to the community.

Maintenance of existing streetlights. It is not practicable or cost effective to allocate costs directly to individual beneficiaries of streetlights. The allocation of costs between groups of beneficiaries such as motor vehicle users and the rest of the community would be a practical way of recovering costs according to the benefits derived by each group.

Upgrading of existing streetlights. Funding of capital costs of upgrading existing facilities to provide for the City's growth benefits the community as a whole as the cost of growth is allocated to those who impose such costs. Otherwise, the capital expenditure incurred for upgrades could be split between Transfund and the community as a whole as a practical solution. Council believes that the funding mix adopted reflects the considerations such as the costs and benefits, including transparency and accountability.

6.4.3.5 Funding Sources

The above considerations can best be met by funding maintenance of streetlights from the Transfund subsidy and rates; using financial/development contributions to fund the provision of streetlights in new subdivisions (with developers constructing streetlights at Council-set standards); and using Transfund subsidies and other sources outlined in Section 3.2 for other capital expenditure.

Capital cost of upgrading existing facilities to provide for the City's growth will be recovered from development contributions. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. This Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

It should be noted that the cost allocated to car users may not be fully recovered because the Transfund subsidy covers only a part of the costs.

6.4.3.6 The Overall Impact of the Funding Mechanism

Streetlights generate both private and public benefits. The funding mechanisms reflect an onus on developers to provide safe housing and neighbourhoods, and the strong impact that high quality street lighting has on community safety and crime levels, and on people's perceptions of crime and safety in the City. Good quality street lighting helps people to feel safe in and around their homes, and when travelling around the City on alternative modes of transport such as walking and cycling.

6.4.4 ROAD SAFETY SERVICES AND TRAFFIC MANAGEMENT

6.4.4.1 The Distribution of Benefits

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.

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.

Both road safety services and traffic management will have wider benefits to the community, but it is not easy to quantify them.

6.4.4.2 The Period In or Over which Benefits are Expected to Occur

The benefits of road safety services and traffic management are more likely to accrue in the short term to medium term.

6.4.4.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

These activities arise because of negative effects of actions or inactions of road users. They are also required, in part, to cope with the City's growth.

6.4.4.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

The funding of this activity directly from the road users would be an efficient way of allocating resources, as it would reflect the cost of using roads. However, Council does not have the legal powers to do so. Funding the costs by Transfund is an indirect way of allocating the costs to road users and the cost of doing so is minimal to Council. However, as Transfund finances only a portion of the costs, the shortfall needs to be recovered from rates, as it is the only option open.

6.4.4.5 Funding Sources

Road safety services. The proportion of costs that can be recovered through Transfund varies across a 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 only a part of the costs from road users through Transfund subsidies. The remaining costs therefore need to be allocated to the community and recovered through rates.

Capital expenditure related to these activities will be funded from appropriate sources in accordance with Council's financing policy as outlined in Section 3.2

6.4.4.6 The Overall Impact of the Funding Mechanism

Funding of this activity by road users is consistent with Council's approach to road safety and traffic management. Although only a part of the cost imposed by road users is recovered from them, road safety and traffic management will have much wider benefits to the community as a whole. Therefore, the adoption of a mix of funding methods will have a favourable overall impact on the current and future social, economic, environmental and cultural wellbeing of the community.

6.5 TELECOMMUNICATION

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Policy and advocacy and telecommunication development		Capital expenditure will be funded from appropriate sources in accordance with Council's financing policy as outlined in Section 3.2

6.5.1 POLICY DEVELOPMENT AND ADVOCACY AND TELECOMMUNICATION DEVELOPMENT

6.5.1.1 The Distribution of Benefits

Telecommunication development benefits in the first instance the users, but there are significant benefits accruing to the community as a whole through access to information, networking, social integration, skill development and education.

6.5.1.2 The Period In or Over which Benefits are Expected to Occur

Benefits of telecommunication development will accrue in the short and long term.

6.5.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity does not arise because of negative effects of actions or inactions of specific individuals or groups of individuals.

6.5.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

The allocation of cost of this group of activities to beneficiaries would conflict with the objective of making telecommunication facilities accessible to every resident in the City. This in turn will reduce the wider social, economic and environmental benefits expected.

6.5.1.5 Funding Sources

Policy development and advocacy work will be funded mainly from rates and capital expenditure will be funded from appropriate sources in accordance with Council's financing policy as outlined in Section 3.2.

6.5.1.6 The Overall Impact of the Funding Mechanism

A wide range of flow-on benefits will accrue to the whole community from having easy access to modern telecommunication facilities (e.g. internet access in local libraries).

Funding of policy development and advocacy from rates, rather than from user pays, contributes to the realisation of the community outcomes of this activity and it will have favourable overall impact on the current and future social, economic, environmental and cultural wellbeing of the community.

7 STRONG INNOVATIVE ECONOMY

7.1 COMMUNITY OUTCOME

Waitakere is home to lots of innovative economic activities, providing local, quality work and development options for its people. Environmentally responsible businesses are supported and flourishing.

The strong innovative economy is about promoting local economic development and quality jobs locally. This involves designing high quality town centres which are hubs of creativity and economic vitality; promotion and participation in research and development; identification and development of business clusters; continuation of work with businesses to improve environmental quality; increasing the City's profile; working with other Councils in the region on economic opportunities; maintaining and enhancing Waitakere's natural environmental advantage; and providing the infrastructure to support sustainable economic growth.

Activities in Strong Innovative Economy are structured into three groups:

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

7.2 STRONG LOCAL ECONOMY

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Policy and advocacy work, including participation in regional economic development initiatives	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
- Supporting existing business
- Attracting new business

7.2.1 POLICY DEVELOPMENT AND ADVOCACY

7.2.1.1 The Distribution of Benefits

Council undertakes policy work to improve its own and the community's understanding of the local and regional 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 and regional economy. While the business sector as a whole benefits from these services, there are also community-wide benefits from the increase in economic activity, and employment and income generation resulting from business growth.

7.2.1.2 The Period In or Over which Benefits are Expected to Occur

Benefits of local economic development will accrue in the short and long term.

7.2.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity does not arise because of negative effects of actions or inactions of specific individuals or groups of individuals.

7.2.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Identifying individual users and charging them would not be cost effective and it would reduce the overall effectiveness of this activity and the overall economic and social benefits expected.

7.2.1.5 Funding Sources

These activities will be funded mainly from rates and partly from government grants.

7.2.1.6 The Overall Impact of the Funding Mechanism

Funding of these activities from rates, rather than from user pays, will have favourable overall impact on the current and future social, economic, environmental and cultural wellbeing of the community.

Council's strategic direction places a strong emphasis on growing the local economy in order to increase quality local jobs. A wide range of flow-on benefits will accrue to residents from having more opportunities to work locally; the city would also avoid many of the environmental and social costs caused by residents travelling long distances to work.

7.2.2 SUPPORTING EXISTING BUSINESS

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
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	

Enterprise Waitakere undertakes most activities in supporting existing business. The exceptions are the Business Survey and the Building Consent One Stop Shop.

7.2.2.1 The Distribution of Benefits

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 that may be funded in whole or in part by Council include

- advisory services and training courses for businesses and support for smes;
- programmes aimed at nurturing a business incubator and business clusters within Waitakere City;
- support of council programmes such as town centre revitalisation;
- tourism promotion;
- promotion of the eco-city vision and its economic advantages to attract businesses;
- website development and maintenance;
- strategy, advocacy and networking activity; and
- 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 up-skilling the workforce and reducing the social problems associated with unemployment.

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.

7.2.2.2 The Period In or Over which Benefits are Expected to Occur

The benefits of funding this activity will occur in the short and the long term.

7.2.2.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

These activities do not arise because of negative effects of actions or inactions of specific individuals or groups of individuals.

7.2.2.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Identifying individual users and charging them would reduce the overall effectiveness of this activity, as it will be a disincentive to access the services provided.

7.2.2.5 Funding Sources

These activities are funded mainly from rates. At present all training courses conducted by Enterprise Waitakere are funded from Central Government.

7.2.2.6 The Overall Impact of the Funding Mechanism

The community outcomes sought can best be achieved by allocating the costs associated with business support to the community as a whole. Rates funding of activities that contribute to a strong innovative economy could generate wider social, economic and environmental benefits.

Ability to pay is a critical issue in determining access to Enterprise Waitakere services, and rates funding is an effective way of addressing this issue.

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.

The distribution of benefits consideration tends to suggest 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 benefit component of the service.

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

7.2.3 ATTRACTING NEW BUSINESS

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Business attraction and city promotion		

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

7.2.3.1 The Distribution of Benefits

While the business sector as a whole benefits from these services, there are also community wide benefits from the increase in economic activity resulting from business growth.

7.2.3.2 The Period In or Over which Benefits are Expected to Occur

The benefits of funding this activity will occur in the short and the long term.

7.2.3.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity does not arise because of negative effects of actions or inactions of specific individuals or groups of individuals.

7.2.3.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

It is not possible to identify and charge individual users without detracting from the overall effectiveness of the services. There is no net benefit in funding this activity distinctly from other activities.

7.2.3.5 Funding Sources

This activity is funded mainly from rates.

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.

7.2.3.6 The Overall Impact of the Funding Mechanism

Growing local business and promoting the City as an exciting place to live, work and visit has widespread social, economic, environmental and cultural benefits, which cannot be easily attributed to particular sectors of the population. Therefore, rates funding of these activities will have a positive overall effect on the current and future social, economic, environmental and cultural wellbeing of the community.

8 STRONG COMMUNITIES

8.1 COMMUNITY OUTCOME

People are active, healthy and content. They feel safe and connected to others. Children are treasured and protected and services match needs. We enjoy our diversity of lifestyles and people.

The Strong Communities Strategic Platform groups together a diverse range of services that impact on the health and wellbeing of the City's residents. The activities in this Strategic Platform are structured into seven groups for revenue and financing policy purposes:

- 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

8.2 STRONG COMMUNITIES

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Planning, Policy and advocacy work Community liaison and Community Support Arts and Culture Advocacy and strategic partnership	Arts and events (partial funding)	The Council received funding from the previous Auckland Regional Services Trust, which is available to fund arts Some events attract significant external funding and/or sponsorship Some external funding is available for specific partnership and projects

8.2.1 PLANNING, POLICY DEVELOPMENT AND ADVOCACY

8.2.1.1 The Distribution of Benefits

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.

Arts and culture. Arts and culture 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.

8.2.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of funding this activity will occur in the short and the long term.

8.2.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity does not arise because of negative effects of actions or inactions of specific individuals or groups of individuals.

8.2.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

It is not possible to identify beneficiaries and charge them for certain activities such as policy advocacy. Where the private beneficiaries can be identified, imposition of user pays will be a disincentive to use the services provided and this, in turn, will reduce their social benefits.

8.2.1.5 Funding Sources

These services are funded mainly from rates.

Policy and advocacy; community liaison and support. Policy and Advocacy work is funded mainly 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 (e.g. Auckland Regional Services Trust Fund). Where council makes a grant to a non-profit organisation for an asset being constructed by that organisation, Council may, at its discretion, fund this grant from borrowing if the asset concerned makes a contribution to the community outcomes identified.

Arts and events. The distribution of benefits of arts and events may vary from event to event. The allocation of costs relating to arts and events is best met by

a combination of user charges and rates with user charges set at a level that supports Council's objectives for that particular event. In addition, some funding is available from external sources such as Creative Communities Fund and Auckland Regional Services Trust Fund. Council will proactively seek sponsorship for its events to minimise the impact on rates.

Capital expenditures relating to these activities will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

8.2.1.6 The Overall Impact of the Funding Mechanism

Policy and advocacy; community liaison and support. Work in this area is focused on improving general community wellbeing and social infrastructure, creating a more equitable society and building strong relationships between Council and community groups, for the benefit of City residents. Strengthening the local community is vital to city wellbeing and to developing a sustainable local economy. Many of the Council's partnerships also support local people to care for and beautify the local environment.

Arts and events. The benefits of a vibrant arts and events scene in the City accrue to everybody, through developing and providing outlets for creativity, bringing people together and enhancing a shared sense of identity and belonging in the City. Widespread public art also substantially improves the look and feel of the City. 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, it is desirable to allocate a higher proportion of the cost of some events to the community.

8.2.2 ADVOCACY AND PARTNERSHIPS

8.2.2.1 The Distribution of Benefits

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 other 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. These services are funded mainly from rates to reflect the wider benefits accruing to the community as a whole.

8.2.2.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity occur in the short and the long term.

8.2.2.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity does not arise because of the negative effects of actions or inactions of specific individuals or groups of individuals.

8.2.2.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding of these activities distinctly from other activities is not cost effective or practicable, except where external funding can be obtained for specific projects and partnerships.

8.2.2.5 Funding Sources

These activities are funded from rates, except where external funding can be obtained for specific projects and partnerships.

8.2.2.6 The Overall Impact of the Funding Mechanism

Funding of these activities from rates and external sources will promote stronger partnerships which, in turn, will have a favourable overall impact on the current and future social, economic, environmental and cultural wellbeing of the community.

8.3 A SUPPORTIVE ENVIRONMENT FOR CHILDREN

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
First Call for Children policy and programmes		

8.3.1 FIRST CALL FOR CHILDREN POLICY AND PROGRAMMES

8.3.1.1 The Distribution of Benefits

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.

8.3.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of funding this activity will occur in the short and the long term.

8.3.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

Council undertakes this activity partly because of negative effects of actions or inactions of specific individuals or groups of individuals.

8.3.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

It is not practicable to identify a specific group that benefit from these activities. Because of the wider benefits accruing to the community rates would be an appropriate funding mechanism for these activities.

8.3.1.5 Funding Sources

This activity is funded mainly from rates.

8.3.1.6 The Overall Impact of the Funding Mechanism

The wellbeing of children and young people is critical to the current and future social, economic, environmental and cultural wellbeing of any community. Council funding focuses on supporting the good work already occurring in the city, identifying gaps and opportunities, and implementing Council's Child and Youth Strategy in all that it does.

8.4 COMMUNITY SAFETY HEALTH AND SUPPORT

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Policy and advocacy work Council's support for CABx Council's support for community projects and partnerships		Safety and community partnerships

8.4.1 COMMUNITY SAFETY HEALTH AND SUPPORT

8.4.1.1 The Distribution of Benefits

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 Citizens Advisory Bureaux (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.

8.4.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of funding this activity are likely to occur in the short to medium term.

8.4.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity does not arise because of negative effects of actions or inactions of specific individuals or groups of individuals.

8.4.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

It is not practicable to identify beneficiaries and charge them for certain activities that are used by the community as a whole. Where the beneficiaries can be identified, imposition of user pays will be a disincentive to use the services provided. This will reduce the social benefits expected from the services provided.

8.4.1.5 Funding Sources

The Council's component of these services is funded mainly from rates. Council will advocate for increased Central Government funding of CABx.

8.4.1.6 The Overall Impact of the Funding Mechanism

It is not desirable to exclude anyone from receiving the benefits of the services provided; and everyone, regardless of income, must have access to basic information, which is fundamental to participating in society.

Funding Council's component of these services from rates will have wider social and cultural benefits. Council's view is that the current level of Central Government funding of this service is too low and should increase. Council will advocate for increased Central Government funding of CABx.

8.5 LEISURE OPPORTUNITIES

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
<p>Aquatic and Recreation Centre (part)</p> <p>Operating costs of sports fields</p> <p>Recreation and holiday programmes (part)</p>	<p>Aquatic and Recreation Centre (part)</p>	<p>Some events attract significant external funding and/or sponsorship</p> <p>Capital expenditure will be funded from appropriate sources in accordance with Council's financing policy as outlined in Section 3.2</p>

8.5.1 AQUATIC AND RECREATION CENTRE, RECREATION PROGRAMMES AND SPORTS FIELDS

8.5.1.1 The Distribution of Benefits

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

The Aquatic Centre also has benefits that 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.

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

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.

For after school and holiday programmes, the main public benefits include enhancing the opportunities for parents (particularly women) to take part in the workforce. There are significant private benefits to be 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.

Sports fields. Sports fields 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. Sports fields also have the characteristics of private goods (i.e. they are rivals in that one club's use will affect another club's use, and excludable because it is possible to prevent clubs and associations from using sports fields for organised sport).

Sports fields also, however, have a range of public benefits: benefits to the community as a whole. These include:

- Sports fields form an important part of public open space and generally improve the amenity of the city
- Individuals and groups use sports fields on a casual basis – for walking, jogging, and casual sport. It would be highly undesirable to fence off sports fields 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

Because of these reasons, the public benefits are believed to be higher than those provided by the aquatic centre.

8.5.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of these activities will accrue both in the short and the long term.

8.5.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This group of activity is not undertaken because of negative effects of actions or inactions of specific individuals or groups of individuals. However, upgrading of existing facilities and creation of new facilities will be required to meet the demand created by new developments.

8.5.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding of the operating costs of some of these activities from user pays may not be cost effective although it will be a transparent method. Funding the full cost of the services through user pays will be a disincentive to use the services provided and this will reduce the social benefits expected.

The use of development contributions to fund the capital costs relating to upgrades and new facilities required to meet the increased demand is a cost effective way of funding the costs imposed by the growth of the city. It will have a net benefit to the community.

8.5.1.5 Funding Sources

Aquatic Centre. The distribution of benefits analysis suggests that the direct operating costs of the aquatic centre should be allocated between the users and 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.

Most of the operating costs are covered by user charges and general rates fund the costs of debt servicing, depreciation and any other funding shortfalls.

Capital cost of upgrades and new facilities required to meet the growth effects of the City will be funded through development contributions. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. This Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

Sports fields. The maintenance costs of sports fields are funded by rates.

Capital costs associated with developing and upgrading sports fields required for growth will be funded through development contributions. Otherwise, capital costs will be funded according to the policy outlined in Section 3.2.

8.5.1.6 The Overall Impact of the Funding Mechanism

Aquatic Centre. 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.

Funding a part of the cost from rates and development contributions could address this issue.

Recreation and holiday programme. In the past, only a part of the direct cost of recreation, after school and holiday programmes has been recovered. This partial cost recovery can be justified on equity grounds – to ensure that “ability to pay” is not an impediment to accessing these services.

Sports fields. The funding of sports fields from rates addresses the equity considerations and the low charges applied elsewhere in the Auckland region. This ensures that the services provided will contribute to the community outcomes identified (people are active, healthy and content).

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 sports fields are youth and low-income members of the community who may be constrained by “ability to pay”, Council has taken 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 organisations believe the sports fields should be freely available to organised sport and that participation will suffer if this is not so.

Relativity with other Councils. North Shore City no longer charges for the use of sports fields. Although most other City Councils in the Auckland Region do charge for sports fields, the user charges are relatively low. 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 sports fields elsewhere, which is not the intention of Council. Encouragement of intensive use of local sports fields may also generate wider social, economic, environmental and cultural benefits to the community.

8.6 LIBRARY, EDUCATION AND INFORMATION SERVICES

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Libraries Provision of verbal advice and information General information requests Advocacy for education	Some specific library services e.g. best seller collection, internet, CD and video collections Land Information Memoranda	Capital expenditure will be funded from appropriate sources in accordance with Council's financing policy as outlined in Section 3.2

8.6.1 LIBRARY FACILITIES AND INFORMATION SERVICES

8.6.1.1 The Distribution of Benefits

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 and skilled population.
- 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.

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.

8.6.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of these activities will accrue both in the short and the long term.

8.6.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity does not arise because of negative effects of actions or inactions of specific individuals or groups of individuals. However, Council needs to undertake this activity in part to meet the demand created by the growth of the City.

8.6.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Charging for access to libraries will reduce the social benefits expected from this activity. However, some services that produce primarily private benefits with relatively small proportion of social benefits can be funded from user charges without affecting the overall social benefits generated by libraries. The activities that either produce little public benefits or cause costs are:

- Items not returned on time impose a cost on library services as they affect the efficient turnover of stock.
- Property information provided by Council is used primarily for private benefit and can be charged at the time of provision.
- Services relating to business decision-making, CDs, videos, tapes, Internet, CD-ROM, best seller collection, interloans and data-searches. Separate charges can be levied for these with minimal transaction costs.

8.6.1.5 Funding Sources

Libraries. Council provides free membership to libraries.

The costs of some library services can 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 could be allocated to the community as a whole, while the cost of services for business decision-making should be allocated to the user.

Capital costs associated with providing or upgrading libraries, including library books, to provide for growth will be funded through development contributions. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. This Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

Property Information. The costs associated with this function are allocated to the direct users of the service.

8.6.1.6 The Overall Impact on the Current and Future Social, Economic, Environmental and Cultural Wellbeing of the Community

Libraries. Rates funding of access to libraries contributes to the achievement of the community outcomes sought from this activity. Council believes that there are fairness and equity considerations that warrant allocating a much larger share of the costs to the community as a whole. “Ability to pay” is a key issue.

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.

8.7 ACCESS TO APPROPRIATE HOUSING

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Policy and advocacy work	Housing for older adults	

8.7.1 POLICY AND ADVOCACY AND HOUSING FOR OLDER ADULTS

Council is committed to the provision of housing for older adults and has endorsed a cost recovery approach to managing existing assets.

8.7.1.1 The Distribution of Benefits

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.

8.7.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of these activities will accrue both in the short and the long term.

8.7.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

This activity does not arise because of negative effects of actions or inactions of specific individuals or groups of individuals.

8.7.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding of operating costs of this service from rent charges is cost effective, efficient and transparent.

8.7.1.5 Funding Sources

The operating costs of this service are funded on a cost recovery basis. The term "cost recovery" is defined as financing of operating costs plus payment of interest plus depreciation. The rent on Housing for Older Adults is set at 25% of gross Superannuation, or 25% gross other taxable benefit, or 25% of gross Superannuation if not on a benefit. Rentals are adjusted in accordance with changes to Superannuation and benefits.

Until all residents are on rents in line with the revised policy, a staged process of rent reviews for Housing for Older Adults is being implemented in six monthly intervals of \$10.00 per fortnight.

The financial results (revenue surpluses or deficits) are carried forward to future financial years. The dedicated Housing for Older Adults annual depreciation provision is accumulated to provide for capital and renewal works on the asset. No specific fund is built up, but the depreciation provision is tracked by generally accepted accounting practice and is available for use when required and authorised through the Annual Plan process.

8.7.1.6 The Overall Impact of the Funding Mechanism

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.

In considering equity issues, 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.

Although there are some social benefits associated with this activity and ability to pay issues for some groups in the community, Council has signalled that it does not wish ratepayers to fund the operating costs.

The rental policy set at 25% of superannuation or gross other taxable benefit and the phased increase in rents will to some extent minimise the adverse effects on those who might face financial difficulties.

8.8 PROTECTION FROM NUISANCES AND HAZARDS

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Environmental health and safety (part) Advice and information related to building control, resource management and other issues Animal control costs which cannot be recovered from dog registration fees or fines Emergency management – civil defence and rural fire (most of)	Environmental health and safety (part) Building Consent Resource Management Animal control and welfare (some rates subsidy)	Fines are a source of some funding for Animal Control, and to a lesser extend building control and resource management Animal control and welfare – revenue from user charges relating to external contracts Permit fees apply in some cases for the Rural Fire service, and occasionally also fines Council will investigate potential sponsorship and government funding for animal control costs

8.8.1 ACTIVITIES IN PROTECTION FROM NUISANCES

- Building Control
- Environmental health and Safety
- Animal Control and Welfare
- Property Information
- Emergency Management – civil defence and rural fire

8.8.1.1 The Distribution of Benefits

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

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

Environmental health and safety. Water quality testing and testing of notifiable infectious diseases generate public benefits.

Enforcement of legislation relating to nuisances and bylaws is for the benefit of the public.

Cost 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, hydatid control, and owner education.

Emergency management.

- 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.

- 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 National Rural Fire Fund they should be allocated to the community as a whole.

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.

8.8.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of these services accrue both in the short and the long term.

8.8.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contributing to this Activity

Council performs a range of regulatory functions to address the negative effects of actions or inactions of specific individuals or groups of individuals.

8.8.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Some activities are funded distinctly from other activities because it is cost effective and beneficial to the community as explained in the preceding and the following sections.

Building control. 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 can be allocated accordingly. Most costs cannot be attributed to those responsible and as enforcement is generally for the benefit of the community the costs should be allocated to the community.

Environmental health and safety. Offenders of legislation relating to nuisance and bylaws (such as noise offenders) cause enforcement costs to the community.

Animal control. Costs of impounding may 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.

Cost of complaints should, under the principle of “exacerbator pays”, be recovered from the owner of the dog being complained about, but there are practical difficulties in doing so.

Emergency management – rural fire. Some fires are caused by carelessness or arson and fighting these fires involve cost to Council. In situations where the exacerbator can be identified, the cost of fire fighting should be recovered from them, but this involves costly legal proceedings.

8.8.1.5 Funding Sources

Building control. The considerations stated above 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 mainly 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 between private and community 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.

Animal control and welfare. The allocation of costs of the dog registration system is 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 cost of this activity is recovered through user charges for property information and Land Information Memoranda.

Emergency management – rural fire. The considerations stated above 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 costs of fire-fighting when arson or negligence is involved and funding the rest of the function from general rates.

8.8.1.6 The Overall Impact of the Funding Mechanism

The adoption of a mix of financing methods stated above to fund these activities ensures that costs are allocated where possible to beneficiaries or polluters and to the community where social benefits are generated. This approach enables Council to achieve a balance in the overall impact on the current and future social, economic, environmental and cultural wellbeing of the community.

9 ACTIVE DEMOCRACY

9.1 COMMUNITY OUTCOME

People are able and willing to engage in city issues, and feel that they can make a difference. There are high levels of community participation and people respect each other's views.

Activities in the Active Democracy Strategic Platform support good decision-making by elected representatives, and meaningful community involvement. This Strategic Platform 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 related to this Strategic Platform have been grouped into following areas for Revenue and Financing Policy development:

- Decision-Making Processes and Elections
- Corporate Support
- Iwi and Maori Partnerships

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

9.2 DEMOCRATIC PROCESS

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Services that support and inform the democratic process, including community participation and most information requests	User charges may apply for large requests for information to ensure that requests are reasonable	

9.2.1 SERVICES SUPPORTING DEMOCRATIC PROCESS AND COMMUNITY PARTICIPATION

9.2.1.1 The Distribution of Benefits

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. 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.

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; and the Council is 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 used. If the information is used for educational purposes, or to enable community 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.

9.2.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity spread from short to long term.

9.2.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

This activity does not arise because of negative effects of actions or inactions of specific individuals or groups of individuals.

9.2.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

The funding of information provision from user pays benefits the community because it reduces the financial burden to the community.

However, the application of user charges to recover the cost associated with democratic process is not practicable or desirable.

9.2.1.5 Funding Sources

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

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

9.2.1.6 The Overall Impact of the Funding Mechanism

Funding of the democratic process through rates is important to promote the community's full participation in community life and the political process at all levels. It will contribute to the realisation of the community outcomes identified and have a favourable overall impact on the wellbeing of the community.

If user charges were applied, it could create a disincentive to request 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.

The adoption of user charges on a selective basis on requests for large amounts of information or a large number of copies of reports is a benefit to the community as the costs are borne by those who benefit from the service.

9.3 CORPORATE SUPPORT

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Monitoring and operational support for rates-funded services	Some operational support for services funded from user charges, e.g. ITS and payroll costs to support the water service	

9.3.1 MONITORING AND OPERATIONAL SUPPORT

9.3.1.1 The Distribution of Benefits

Most corporate support activities, for example payroll and fleet management, are overheads; these costs are allocated as set out in Section 3.1. 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 cost is therefore considered to be a cost of democracy. These activities benefit the community as a whole for the same reasons applied for the democratic process itself.

9.3.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of these activities spread from short to long term.

9.3.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

These activities do not arise because of negative effects of actions or inactions of specific individuals or groups of individuals.

9.3.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding of these activities distinctly from other activities is not practicable or cost effective, except to the extent they are allocated to other activities as overheads.

9.3.1.5 Funding Sources

These activities are funded from rates, except to the extent they are allocated to other activities as overheads.

9.3.1.6 The Overall Impact of the Funding Mechanism

Funding of these activities from rates (except to the extent they are allocated to other activities as overheads) reflects the wider benefits to the community and it will have a favourable overall impact on the current and future social, economic, environmental and cultural wellbeing of the community.

9.4 IWI AND MAORI PARTNERSHIPS

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Costs of developing a Treaty of Waitangi framework.		
Costs of iwi and pan-tribal strategic partnerships.		

9.4.1 IWI AND MAORI PARTNERSHIPS AND THE TREATY OF WAITANGI FRAMEWORK

9.4.1.1 The Distribution of Benefits

The City maintains open and positive formal partnerships with iwi, and the wider Maori community. Te Taumata Runanga, a Standing Committee of the Council, has played a pivotal role in the relationship between Council, iwi and the wider Maori community.

The development of a Treaty of Waitangi framework is essential for furthering the partnership between Council and the wider Maori community. These partnerships focus on matters impacting on the Maori community and the benefits of these partnerships accrue to the whole community in the long term.

9.4.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity spread from short to long term.

9.4.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

These activities do not arise because of negative effects of actions or inactions of specific individuals or groups of individuals.

9.4.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding of these activities distinctly from other activities is not cost effective or practicable.

9.4.1.5 Funding Sources

These activities are funded mainly from rates.

9.4.1.6 The Overall Impact of the Funding Mechanism

Developing relationships between Council, iwi groups and other Maori groups, and supporting their participation in decisions which affect them, is a core part of Council's commitment to the Treaty of Waitangi.

The wider community benefits from positive and strong relationships between Council, iwi and Maori groups; and a strong economic, social and cultural advancement of iwi and Maori groups will have a positive overall impact on the current and future social, economic, environmental and cultural wellbeing of the entire community.

Funding these activities from rates contributes to the realisation of these wider social benefits.

10 GREEN NETWORK

10.1 COMMUNITY OUTCOME

Streams and forests will be full of life. The Waitakere Ranges will be permanently protected and a Green Network will link the Ranges and the sea, connecting the everyday lives of the people of Waitakere with the natural world.

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 Strategic Platform 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).

10.2 NATIVE ECOSYSTEM IMPROVEMENT

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Policy and advocacy work revegetation and restoration projects		Capital expenditure will be funded from appropriate sources in accordance with Council's financing policy as outlined in Section 3.2.

10.2.1 POLICY AND ADVOCACY AND RESTORATION PROJECTS

10.2.1.1 The Distribution of Benefits

This group of activities covers the restoration and revegetation of ecological linkages and bush areas. These improvements to the environment benefit nearby residents, developers (through offsetting some of the environmental impacts of growth) and the community as a whole.

10.2.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of funding these activities will occur in the short and the long term.

10.2.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

These activities arise partly because of negative effects of the City's growth on the natural environment.

10.2.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

It is not cost effective or practicable to adopt user charges or targeted rates to recover the costs of policy development and advocacy work which generate wider benefits to the community. The recovery of capital expenditure relating to revegetation and restoration projects, where possible, through financial/development contributions is an efficient way of allocating costs to those who benefit from these activities. This form of funding will avoid the cost to the community.

10.2.1.5 Funding Sources

Costs of policy development and advocacy work are funded mainly from rates. Capital expenditure relating to revegetation and restoration projects is funded from appropriate sources in accordance with the policy on capital cost funding as outlined in Section 3.2.

10.2.1.6 The Overall Impact of the Funding Mechanism

Funding of capital work where appropriate from development contributions will minimise the financial burden on the current ratepayers, and have a favourable overall impact on the current and future social, economic, and environmental wellbeing of the community.

10.3 PROTECTION OF LAND

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Weed and roadside vegetation control.		Some external funding may be sought for research projects with benefits accruing to Waitakere City and beyond.

10.3.1 WEED AND ROADSIDE VEGETATION CONTROL

10.3.1.1 The Distribution of Benefits

The main activities under this heading are control of agricultural and environmentally damaging weeds and roadside vegetation. Most of Council's weed control work is focussed on meeting minimum legal requirements on its own land, although there is some policy work and research into more effective and sustainable methods of weed control. The activity benefits the adjacent properties and the community as a whole in the long term. The control of roadside vegetation benefits road users as well as the wider community because it helps protect the natural environment.

10.3.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of these activities will accrue both in the short and the long term.

10.3.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

The need to control weeds and unwanted vegetation does not arise because of the negative effects of actions or inactions of individual or groups of individuals.

10.3.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

It is not practicable or cost effective to allocate the costs of these activities to private beneficiaries, as the benefits are more widespread.

10.3.1.5 Funding Sources

These activities are funded mainly from rates and from some external sources (e.g. Transfund).

10.3.1.6 The Overall Impact of the Funding Mechanism

Weed and roadside vegetation control is likely to generate more benefits to the wider community than to individuals. Allocation of cost to the community will have a favourable overall impact on the current and future economic, social and environmental wellbeing of the community.

10.4 ACCESS AND AMENITY

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Wilderness parks and walkways Amenity and community plantings on parks and streets		Capital works will be funded, where appropriate, from financial/development contributions and any shortfall will be funded in accordance with the financing policy outlined in Section 3.2.

10.4.1 WILDERNESS, PARKS, WALKWAYS, AMENITY AND COMMUNITY PLANTING

10.4.1.1 The Distribution of Benefits

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

10.4.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of these activities will accrue both in the short and long term.

10.4.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

Some of these activities (e.g. regulation and enforcement) arise because of the negative effects of actions or inactions of specific individuals or groups of individuals. In part, these functions are needed to cope with the effects of the City's growth.

10.4.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

There is no financial burden to the current ratepayers if capital expenditures due to growth are funded from development contributions. Where it is not possible to collect development contributions, the costs will be funded in accordance with the financing policy outlined in Section 3.2.

It is not cost effective to adopt user pays approaches to fund the maintenance costs.

10.4.1.5 Funding Sources

Most of the expenditure in this group of activities is capital (for walkways and plantings), and is funded in accordance with capital cost funding policy outlined in Section 3.2. This includes funding, where appropriate, from financial contributions or development contributions. The ongoing maintenance of these assets will be funded from rates.

10.4.1.6 The Overall Impact of the Funding Mechanism

Provision of wilderness parks, walkways and plantings contribute to the wellbeing of the environment and the community. Adoption of a mix of funding mechanisms will have a balanced overall impact on the current and future wellbeing of the community.

10.5 STEWARDSHIP

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
District Plan costs	Resource management	Developers and residents or others who benefit directly may fund some structure plan work.
Regulatory costs which cannot be recovered from consent fees and fines	Regulatory costs (part)	
Structure plans	Resource consents (other than those required for heritage and for trees)	
Community projects and assistance to land owners		
Verbal advice and information		

10.5.1 RESOURCE MANAGEMENT, REGULATION, ENFORCEMENT AND ASSISTANCE

10.5.1.1 The Distribution of Benefits

Resource Management, District Plan and Resource Consents. The District Plan is prepared for the protection of the environment and the benefit of the community as a whole. The costs associated with processing resource consents – for both human and natural environments – are primarily for the benefit of 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. In the case of these activities, the public benefits are considered to be significant.

Subdivisions are created mainly for private benefit. Work carried out by Council associated with processing subdivision engineering plans and scheme plans is of direct benefit to the developers.

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.

Advice and information. Advice and information services have a private benefit, but there is also considerable scope for promoting Council's wider goals through the information and advice function, with benefit to the wider community.

Enforcement. 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 because non-compliance by applicants can impose social and environmental costs, which could be avoided by enforcement.

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 (e.g. Friends of the Whau) 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.

10.5.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of resource management will accrue both in the short and the long term.

10.5.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

Council performs a range of resource management functions to address the potential negative effects of actions or inactions of specific individuals or groups of individuals and the growth of the City.

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.

10.5.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Resource management is critical for achieving sustainable development for the City. The allocation of costs to those who benefit from the services, or those who cause such costs, is beneficial to the community because the community does not have to bear such costs. It is also a transparent method of funding the services provided.

However, user pays method is not practicable and cost effective for some services such as verbal advice. In addition, there is considerable scope for promoting Council's wider goals through the information and advice function. Hence funding of this group of services from a mix of sources is likely to generate more net benefits.

10.5.1.5 Funding Sources

Resource Management, District Plan and Consents: enforcement, advice and information. The considerations stated above 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 from 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.

10.5.1.6 The Overall Impact of the Funding Mechanism

The overall impact of cost sharing on this basis aims to place costs with those who benefit most from the activity, and to ensure as far as possible that those responsible for placing pressure on the environment and social infrastructure through development and subdivision, help to bear the costs of responding to that pressure. Fines aim to deter practices that are harmful to the environment; and services that benefit the wider community such as the structure plan approach and District Plan rules and policies are funded through rates.

The structure plan approach has significant community benefit by reflecting sustainability principles by taking a holistic, long-term view, that takes social, environmental, cultural and economic factors into account. It is also underpinned by community engagement processes that encourage local stewardship of the environment, and thus is mainly rates funded, with some input from developers and local residents directly benefiting.

11 THREE WATERS

11.1 COMMUNITY OUTCOME

Waitakere is a centre of innovative water management for the three waters, which are water supply, wastewater and stormwater

The Three Waters Strategic Platform includes the water, wastewater and stormwater services. These services are necessary for human life, public health, the protection of property from fire, support the functioning of the local economy, food prevention and pollution control. The overriding aim of this Strategic Platform 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 Strategic Platform are structured into six groups for revenue and financing policy purposes:

- Sustainable management of water and wastewater systems
- Water supply
- Water network
- Wastewater network
- Wastewater treatment and disposal
- Management of stormwater

11.2 SUSTAINABLE MANAGEMENT OF WATER AND WASTEWATER SYSTEMS

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Participation in national and regional initiatives Council's role as a shareholder of Watercare Services Ltd		Capital expenditure will be funded from appropriate sources in accordance with Council's financing policy as outlined in Section 3.2

11.2.1 PLANNING, POLICY DEVELOPMENT AND PARTNERSHIPS

11.2.1.1 The Distribution of Benefits

This activity relates to high level planning and policy development, 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 a representative of the community and the benefits accrue to the community as whole.

11.2.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity spread from short to long term.

11.2.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

This activity has not arisen directly due to the negative effects of actions or inactions of individual or groups of individuals. However, Council needs to undertake this, in part, to address the issues arising from the demand created by the growth of the City.

11.2.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

There is no net benefit of funding this activity distinctly from other activities.

11.2.1.5 Funding Sources

Generally, the operating expenditures of these activities are funded from rates, while the growth related capital expenditures (such as modelling and developing catchment management plans) are funded from development contributions as outlined in Section 3.2.2.

11.2.1.6 The Overall Impact of the Funding Mechanism

Funding of capital expenditure where appropriate from development contributions is an equitable way of allocating costs related to growth. It will have a favourable overall impact on the social and environmental wellbeing of the community.

11.3 WATER SUPPLY (BULK)

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

- Reduces reliance on regional bulk water suppliers
- 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
- Protects public health and the safety of individuals and the environment

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
	Currently the costs of bulk water purchased from WaterCare are included in the user charges. This policy will be reviewed after community consultation.	

11.3.1 BULK PURCHASE OF WATER

11.3.1.1 The Distribution of Benefits

Reticulated water supply benefits private individuals as well as the community as a whole. The benefits of the community include the maintenance of public health standards and the maintenance of safety standards for the fire-fighting service.

11.3.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of water supply accrue both in the short and the long term.

11.3.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

This activity has not arisen directly due to the negative effects of actions or inactions of individuals or groups of individuals. However, the revenue and financing policy will have an influence on the behaviour of water users and an increase in water consumption can create negative environmental effects.

11.3.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Adoption of user pays approach to recover the bulk cost of water is cost effective and transparent. It could also generate wider benefits in the form of reducing negative environment effects.

11.3.1.5 Funding Sources

The cost of bulk water supply from WaterCare is funded from user pays charging method.

11.3.1.6 The Overall Impact of the Funding Mechanism

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.

Charging for water according to the volume of water use ensures that the costs of water supply infrastructure and maintenance are allocated according to the degree of benefit derived by private consumers. It also directly influences the behaviour of consumers and thereby promotes the goals of the Water Cycle Strategy – current and future environmental wellbeing.

However, the adoption of full user pays approach does not address issues concerning affordability – ability to pay. It may not achieve a balance in the current and future social, economic, environmental and cultural wellbeing of the community.

The Council appointed Focus Group on Water Funding, which reviewed the current funding policy, emphasised the importance of the issue of access to water essential for health, hygiene and safety, as well as water conservation/decrease demand for water as key objectives. Further, the Focus Group observed that no single option is capable of achieving the maximum impact on water conservation and environmental protection while at the same time addressing the ability to pay issues. The choice of a funding option depends largely on the relative importance attached to each objective.

Therefore, based on the work of the Focus Group, Council consulted the community on three alternative funding techniques, as part of the Long Term Council Community Plan 2003–2013 and Annual Plan process. They were:

- current user pays method (pay according to the volume of water used)
- full rates funding; and
- land value based water charge with fixed and variable components (with an adjustment for water consumption).

The submitters expressed widely divergent views on the three water funding options.

Given that Waitakere City Council is required to undertake a full assessment of water services (including pricing) under the Local Government Act 2002 by 2005, Council considered that changes to the water pricing system in advance of the assessment would be premature. Council will consider the water funding options as part of the water services assessment that is planned to be completed by 30 June 2005, as required under the Local Government Act 2003.

11.4 WATER SUPPLY (LOCAL)

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
	<p>The costs of maintaining and running the water supply network are currently funded by user charges.</p> <p>This policy will be reviewed after community consultation.</p>	<p>Capital expenditure will be funded from appropriate sources in accordance with the financing policy as outlined in Section 3.2.</p> <p>Connection fees will be reviewed to provide an incentive to install water efficient appliances.</p>

11.4.1 LOCAL WATER SUPPLY NETWORK

11.4.1.1 The Distribution of Benefits

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.

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 subdivision benefit the developer or property owner. This cost also includes a contribution for the use of capacity in the downstream network both at local and regional level.

11.4.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of water supply network accrue both in the short and the long term.

11.4.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

This activity has not arisen due to the negative effects of actions or inactions of individual or groups of individuals. The revenue and financing policy would have an influence on the behaviour of water users and that could create negative effects. Additionally, this activity is required, in part, to meet the demand created by the growth of the City.

11.4.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Adoption of user pays approach to recover the operating cost of water network is cost effective and transparent. The imposition of financial/development contributions to recover the capital expenditure incurred due to the extension of the reticulated system to cover new subdivisions and growth is an effective and transparent method of allocating the costs to those who benefit from the activity. It prevents such costs being imposed on the community.

11.4.1.5 Funding Sources

The operating cost of the water supply network is funded from user pays charging method.

New subdivisions or developments should fund their local water network connection and 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 will be funded by loans, paid for by water users as a whole, or development or financial contributions where costs are related to growth.

The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. This Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

11.4.1.6 The Overall Impact of the Funding Mechanism

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.

Charging for water according to the volume of water use ensures that the costs of water supply infrastructure and maintenance are allocated according to the degree of benefit derived by private consumers. It also directly influences the behaviour of consumers and thereby promotes the goals of the Water Cycle Strategy – current and future environmental wellbeing.

However, the adoption of full user pays approach does not address issues concerning affordability – ability to pay. It may not achieve a balance in the current and future social, economic, environmental and cultural wellbeing of the community.

The Council appointed Focus Group on Water Funding, which reviewed the current funding policy, emphasised the importance of the issue of access to water essential for health, hygiene and safety, as well as water conservation /decrease demand for water as key objectives. Further, the Focus Group observed that no single option is capable of achieving the maximum impact on water conservation and environmental protection while at the same time addressing the ability to pay issues. The choice of a funding option depends largely on the relative importance attached to each objective.

Therefore based on the work of the Focus Group, Council consulted the community on three alternative funding techniques, as part of the Long Term Council Community Plan 2003-2012 and Annual Plan Process. They were:

- current user pays method (pay according to the volume of water used)
- full rates funding; and

- land value based water charge with fixed and variable components (with an adjustment for water consumption).

The submitters expressed widely divergent views on the three water funding options.

Given that Waitakere City Council is required to undertake a full assessment of water services (including pricing) under the Local Government Act 2002 by 2005, Council considered that changes to the water pricing system in advance of the assessment would be premature. Council will consider the water funding options as part of the water services assessment that is planned to be completed by 30 June 2005, as required under the Local Government Act 2002.

11.5 LOCAL WASTEWATER NETWORK

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
<p>The costs of the Inner area wastewater system, not funded from the Uniform Annual Charge, will be allocated to Inner area properties via targeted rates.</p> <p>Costs associated with septic tanks will be allocated to Outer area properties via a targeted rate.</p>		<p>Capital expenditure will be funded from appropriate sources in accordance with the financing policy as outlined in Section 3.2.</p>

11.5.1 WASTEWATER NETWORK (LOCAL)

11.5.1.1 The Distribution of Benefits

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 disposal of wastewater generated in private properties also benefits the community as a whole. These gains relate to the public health and the environmental benefits of having a public sewerage collection, treatment and disposal system.

Capital expenditure incurred due to extension of the reticulated system (both on-site and downstream) to cover new subdivisions and buildings benefit 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 negative effects of the actions or inactions of property owners. These include the occurrence of drainage and leaks that tend to pollute groundwater, streams, and coastal waters, and nuisances to the adjoining properties.

To avoid these problems, it is considered good practice to have septic tanks emptied every three years. This service, which benefits property owners, includes the cost of administering the contract with the private operator.

Council also incurs costs in dealing with complaints from the public about the functioning of septic tanks. This service benefits the outer area community as a whole because proper functioning of septic tanks is very important for maintaining public health and protecting the environment.

11.5.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of wastewater service network accrue both in the short and the long term.

11.5.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

These activities have arisen due to the negative effects of actions or inactions of residents. In part, they are required to cope with the effects of the City's growth.

Like solid waste, wastewater generation (waste production) is a negative effect of using water. Individuals and organisations can take steps to decrease the use of wastewater services. For example, grey water can be recycled and used for irrigation. This suggests that the operating costs should be allocated to people producing wastewater.

The service provided by Council for the disposal of sewerage in outer area has also arisen as a direct result of the negative effects of residents' actions.

11.5.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Inner area drainage services. The most effective method of allocating costs according to the polluter pays principle 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.

Additionally, users charge on wastewater is not a funding method that is legally available to the Council unless it forms a company to run its wastewater services, and Council has already resolved not to do this.

The other legally available separate funding mechanisms are:

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

These mechanisms can be applied to design targeted rates under the Local Government (Rating) Act 2002.

These methods have the weaknesses of not matching the wastewater operating costs to the users and offer no advantage over the general rates funding.

The imposition of financial/development contributions to recover the capital expenditure incurred due to the extension of the reticulated system to cover new subdivisions and growth is an effective and transparent method of allocating the costs to those who benefit from the activity. It prevents such costs being imposed on the community as a whole.

Outer area septic tanks. The most effective way of achieving the allocation of costs on the basis of polluter pays principle would be to bill septic tanks owners separately for pump-out costs and to recover other costs through rates. However, separate billing would involve administrative costs.

11.5.1.5 Funding Sources

Inner area drainage services. Currently, Council funds wastewater through general rates on all households in the inner area. With respect to non-rateable properties, the Rating Powers Act 1988 permitted the charging of the proportionate part of the general rate relating to sewerage service. This is not possible under the Local Government (Rating) Act 2002. Under the new legislation, wastewater cost needs to be recovered as a targeted rate to ensure that charges may be levied on non-rateable properties. Council may introduce a targeted rate on the same basis as at present, i.e. differentially on the basis of land value, the differential being the same as for the general rate.

This technical modification to wastewater funding will apply to the inner area. Council will review wastewater funding as part of the proposed water services assessment to be completed by 30 June 2005.

The costs relating to the capital expenditure incurred by Council to meet the growth effects of the City will be funded through development contributions. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. This Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

Outer area septic tanks. The costs of the activities related to the disposal of sewerage are currently recovered as uniform annual charges on all properties in the parts of the City where there is no sewer reticulation, irrespective of whether the property was vacant land. Local Government (Rating) Act 2002 provides for the introduction of targeted rates based on the extent of provision of any service to the rating unit.

Council may continue with the uniform annual charge, in the form of a targeted rate under the new legislation for environment monitoring costs levied on each property, and a uniform annual charge levied on each septic tank, long drop and grease trap on each property that is scheduled for pumping out in the three yearly cycle.

11.5.1.6 The Overall Impact of the Funding Mechanism

Inner area draining services. The overall impact of the funding mechanism on the current and future social, economic, environmental and cultural wellbeing of the community is mixed. Each funding mechanism has different impacts on different objectives. Generally, funding mechanisms based on polluter pays principle will have a favourable overall impact on the environmental and economic wellbeing of the community.

Allocation of costs to polluters would:

- Keep the burden of these negative effects on those who produce the discharges in line with the exacerbators-pays principle.
- 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 reduce the costs they incur by varying the demands they place on the system.

However, there are several issues concerning practicability and equity.

The only technically feasible and cost effective way of sharing costs on the basis of polluter pays principle 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 of 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).

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.

A charging system based on the use of wastewater facilities will have adverse effects particularly on low-income households with large number of occupants.

Compared to user pays mechanisms, funding of wastewater services from general rates is less effective in encouraging ratepayers to reduce the discharge of wastewater. It does not directly influence the behaviour of water users and thereby promote the goals of the Water Cycle Strategy – the current and future environmental wellbeing of the community.

In addressing equity issues such as ability to pay, rates funding methods are likely to produce mixed effects. Compared to user pays methods, rates funding will make wastewater facilities less costly to low-income households with a relatively large number of occupants; however, for low income small households it will be an expensive alternative to user pays.

Council has resolved that any decision on reviewing the wastewater funding policy be undertaken after the consultation on water funding.

Outer Area Septic Tanks. 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.

Allocation of costs to polluters will have favourable overall effect on the environmental wellbeing of the community.

11.6 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 that the 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.

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
The costs of the Inner area wastewater system, not funded from the Uniform Annual Charge, will be allocated to Inner area properties via targeted rates.		

11.6.1 WASTEWATER TREATMENT AND DISPOSAL (BULK)

11.6.1.1 The Distribution of Benefits

The safe disposal of wastewater provides both private and public benefits. Private benefits are in providing residents with a safe, convenient option for disposal of wastewater and they in turn result in public benefits in the form of maintaining public health and environmental standards.

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

11.6.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of wastewater service network accrue both in the short and the long term.

11.6.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

The costs of providing wastewater treatment and disposal services are created by the properties generating wastewater. In part, they are required to cope with effects of the City's growth.

Wastewater generation (waste production) is a negative effect of using water. Individuals and organisations can take steps to decrease the use of wastewater services. For example, grey water can be recycled and used for irrigation. This suggests that the operating costs should be allocated to people producing wastewater (polluter pays principle).

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, with the growth of the region, there will be new regional capital expenditure to increase wastewater treatment capacity. Wastewater treatment and disposal costs are also increasing to meet higher environmental standards. This means that costs do vary with wastewater flows.

11.6.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Some form of user charge would be the most effective method of allocating the costs to the exacerbators or private beneficiaries. However, the installation of separate meters for measuring wastewater outflow from households is not cost effective at present due to technological limitations.

Additionally, user charge is not a funding method that is legally available to the Council unless it forms a company to run its wastewater services, and council has already resolved not to do this.

11.6.1.5 Funding Sources

Council currently funds the costs of wastewater treatment and disposal services from general rates on all households in the inner area. With respect to non-rateable properties, the Rating Powers Act 1988 permitted the charging of the proportionate part of the general rate relating to sewerage service. This is not possible under the Local Government (Rating) Act 2002. Under the new Local Government (Rating) Act 2002, wastewater costs need to be recovered as a targeted rate to ensure that charges may be levied on non-rateable properties. Council may introduce a targeted rate on the same basis as at present, i.e. differentially on the basis of land value, the differential being the same as for the general rate.

This technical modification is applicable to the funding of wastewater in the inner area. Council will review wastewater funding as part of the proposed water services assessment to be completed by July 2005.

11.6.1.6 The Overall Impact of the Funding Mechanism

The overall impact of the funding mechanism on the current and future social, economic, environmental and cultural wellbeing of the community is mixed. Each funding mechanism has different impacts on different objectives. Generally, funding mechanisms based on polluter pays principle will have a favourable overall impact on the environmental and economic wellbeing of the community.

Allocation of costs to polluters would:

- Keep the burden of these negative effects on those who produce the discharges in line with the exacerbaters-pays principle.
- Ensure that those who use wastewater services the most would carry the costs of the reticulated network maintenance and construction.
- Directly influence the behaviour of individuals and organisation and thereby promote recycling and reuse.
- Give people the opportunity to reduce the costs they incur by varying the demands they place on the system.

However, there are several issues concerning practicability and equity.

The only technically feasible and cost effective way of sharing costs on the basis of polluter pays principle 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 this basis 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).

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 issue of the wastewater reticulation system to discharge the wastewater generated.

A charging system based on the use of wastewater facilities will have an adverse effect particularly on low-income households with large number of occupants.

Compared to user pays mechanisms, funding of wastewater services from general rates is less effective in encouraging ratepayers to reduce the discharge of wastewater. It does not directly influence the behaviour of water users and thereby promotes the goals of the Water Cycle Strategy – the current and future environmental wellbeing of the community.

In addressing equity issues such as ability to pay, rates funding methods are likely to produce mixed effects. Compared to user pays methods, rates funding will make wastewater facilities less costly to low-income families with a relatively large number of occupants; however, for low income small families it will be an expensive alternative to user pays.

Council has resolved that any decision on reviewing the wastewater funding policy be undertaken after consultation on water funding.

11.7 STORMWATER

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.

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
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 expenditure will be funded from appropriate sources in accordance with the financing policy as outlined in Section 3.2. Council will continue to lobby for funding of stormwater quality works by road users.

11.7.1 STORMWATER MANAGEMENT

11.7.1.1 The Distribution of Benefits

Activities relating to stormwater management will have a mix of private and public benefits arising from flood protection and pollution control.

11.7.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity will accrue in the short and the long term.

11.7.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

These activities have arisen due to the negative effects of actions or inactions of residents. In part, they are required to cope with the effects of the City's growth.

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 three times as much run-off 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 run-off from community facilities and assets such as bridges, roads and utility services. These costs can 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 required on-site drainage and produce increased run-off.

Any other capital expenditure not related to new subdivisions could be shared by the community and 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 – so it should be borne by the community as a whole and by motor vehicle users.

11.7.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

The adoption of polluter pays approach to fund the negative effects stated above can generate considerable public benefits. However, there are several major practical and legal problems in sharing costs according to this principle.

11.7.1.5 Funding Sources

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 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 operating 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.

Because of the practical limitations involved in cost sharing on the basis of polluter pays principle, the community as a whole will pay more through rates than would otherwise be the case.

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 run-off, pays more towards the costs of maintaining the system. The possibilities of adopting this approach under the provisions of the Local Government (Rating) Act 2002 need to be explored.

Capital costs relating to growth will be funded through development contributions from developers. These contributions should fund local stormwater network connections and contribute towards excess downstream network capacity and pollution control. The details of the policy, methodology and the contributions relating to network infrastructure and community infrastructure are described in the Development Contributions and Financial Contributions Policy. This Policy does not supersede the requirements for developments to avoid, remedy, or mitigate localised adverse effects as provided for in the District Plan. Capital costs that cannot be allocated will be funded from appropriate sources in accordance with the policy outlined in Section 3.2.

11.7.1.6 The Overall Impact of the Funding Mechanism

Rates funding of costs generated by individuals or groups of individuals tend to distort the signals given to the community. There is no incentive for individuals (apart from new commercial/industrial developments) to minimise stormwater run-off or to reduce motor vehicle use. Therefore, the current funding mechanisms may not be fully effective in managing the negative environmental effects of stormwater and achieving the current and future environmental wellbeing of the community.

12 SUSTAINABLE ENERGY AND CLEAN AIR

12.1 COMMUNITY OUTCOME

Waitakere City will be an energy cell, not an energy sink. Air quality supports good health.

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Policy development, planning and advocacy Education and incentives Demonstration projects on energy conservation Emission Testing		Council will explore the possibilities of private sector participation in some of the projects.

12.1.1 POLICY DEVELOPMENT, PLANNING, ADVOCACY AND EMISSION TESTING

12.1.1.1 The Distribution of Benefits

The activities related to policy development, planning, advocacy, education and training and also emission testing generate a mix of private and public benefits.

12.1.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity spread from short to long term.

12.1.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

These activities are needed because of the negative effects arising from production activities, motor vehicle use and the use of non-renewable energy resources. In part, they are required to cope with the effects of the City's growth.

12.1.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

It is not practicable or cost effective to identify the beneficiaries or exacerbators and charge them the cost of policy development and advocacy. Where beneficiaries could be identified, the introduction of separate funding mechanisms can be a disincentive to use the services such as emission testing. This could reduce the overall social, economic and environmental benefits expected.

12.1.1.5 Funding Sources

The costs of these activities will be funded from rates.

12.1.1.6 The Overall Impact of the Funding Mechanism

Because of the positive externalities generated and the benefits accruing to the wider community, funding of these activities from rates will have a favourable overall impact on the current and future social, economic and environmental wellbeing of the community.

12.1.2 DEMONSTRATION PROJECTS

Council proposes to undertake a number of projects intended to demonstrate the feasibility and effectiveness of various initiatives designed to promote efficient use of energy and to harness alternative energy sources. These include solar panels to be installed on the Massey library building, environmental building displays and Eco house in New Lynn. In addition, Council is developing its own Corporate Sustainability Strategy and reporting on the progress to set an example to the community.

12.1.2.1 The Distribution of Benefits

The demonstration and education projects generate wider public benefits through the dissemination of knowledge, expertise and “demonstration effect” related to efficient use of energy and harnessing renewable energy sources. There are also private benefits accruing to those who adopt these innovative approaches to efficient use of energy and harnessing renewable energy sources.

12.1.2.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity spread from short to long term.

12.1.2.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

These activities are needed because of the negative effects arising from the use of non-renewable energy resources. In part, they are required to cope with the effects of the City’s growth.

12.1.2.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Although there are private beneficiaries, the introduction of separate funding mechanisms such as user charges for the activities could be counter productive as these services are intended to disseminate knowledge and expertise as widely as possible. User charges could be a disincentive to access the information provided. This could reduce the overall social, economic and environmental benefits expected.

12.1.2.5 Funding Sources

The costs of these activities will be funded mainly from rates, while exploring the possibilities of external funding.

12.1.2.6 The Overall Impact of the Funding Mechanism

Because of the positive externalities generated and the economic, social and environmental benefits accruing to the wider community, funding of these activities mainly from rates will have a favourable overall impact on the current and future social, economic and environmental wellbeing of the community.

13 ZERO WASTE

13.1 COMMUNITY OUTCOME

Waitakere City will be a clean and attractive city that turns all its waste into resources.

The Zero Waste Strategic Platform provides for waste to be managed in a responsible way, so that the City will reach its ultimate goal of turning all its waste into resources. This includes a steady reduction in the amount of waste which needs to be disposed of through “reduce, reuse, recycle” strategies, combating litter and illegal dumping, and managing the impact of waste disposal.

Provision of solid waste services is essential to the health and wellbeing of residents. Services are currently aimed at minimising the amount of waste that is produced and deposited in landfills, with the aim of achieving the long term goal of zero waste. This will 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, Re-use, Recycling, Recovery, Residual Disposal”. The Resource Management Act 1991 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. This Council’s strategic direction for its Zero Waste services is to promote and achieve waste minimisation while ensuring the provision of efficient, high quality waste collection services.

Council functions related to the Zero Waste Strategic Platform include:

- 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 (non-trade waste).
- 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 and reliable disposal of residual waste.
- Former waste sites are clearly identified and are managed in a safe and environmentally acceptable manner.

13.2 REDUCTION AND REUSE

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Cleaner Production, education, business partnership programmes		Council will seek external funding including sponsorship and assistance from local businesses for Cleaner Production activities.

13.2.1 EDUCATION, CLEANER PRODUCTION AND BUSINESS PARTNERSHIP PROGRAMMES

13.2.1.1 The Distribution of Benefits

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 could, therefore, be allocated on this basis. Where beneficiaries are wider than the Waitakere City community, external funding (including from businesses, the Regional Council and the Ministry for the Environment) is also appropriate.

13.2.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity spread from short to long term.

13.2.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

These activities have arisen due to the negative effects of the production methods that contribute to environmental pollution. In part, they are required to cope with the effects of the City's growth.

13.2.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

There is no net benefit of funding this activity distinctly from other activities. Imposition of user pays would be a disincentive to use the services provided, reducing the overall benefit to the community.

13.2.1.5 Funding Sources

These activities are funded mainly from rates.

13.2.1.6 The Overall Impact of the Funding Mechanism

This funding mechanism is a more effective way of funding costs related to social benefits. It will have a favourable overall impact on the environmental wellbeing of the community.

13.3 RECYCLING

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
Costs of domestic and commercial recycling services for non-trade waste (net of recoveries)		Sale of recyclables generates some income to offset some of the costs of this service.

13.3.1 DOMESTIC AND COMMERCIAL RECYCLING SERVICES

13.3.1.1 The Distribution of Benefits

Kerbside recycling generates private and public benefits. The private benefits are reflected in having a convenient way of disposing of unwanted materials and items. Public benefits include the positive contribution towards reduction of waste to landfills.

13.3.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity spread from short to long term.

13.3.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

This activity has arisen due to the negative effects of the production of solid waste by the residents. In part, this is caused by the City's growth. Council incurs costs in attempting to minimise the amount of waste that it produced and deposited in landfills.

13.3.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding of this activity distinctly from other activities is not a practicable or effective method and would reduce incentives to recycle.

13.3.1.5 Funding Sources

The most effective way of allocating costs of kerbside recycling (net of recoveries) to the community as a whole is through rates.

13.3.1.6 The Overall Impact of the Funding Mechanism

Because of the private and public benefits generated, the costs of this activity should be allocated to both private individuals and the community as a whole.

The importance of Council's goal to minimise waste to landfill, together with Council's legislative requirements suggest that the costs of kerbside recycling (after recoveries) should be allocated to the community as a whole – creating a greater incentive for individuals to recycle. This will have a favourable overall impact on the environmental wellbeing of the community.

13.4 WASTE COLLECTION AND DISPOSAL SERVICE

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
<p>The net costs after user charge is funded mainly from a mixture of targeted and general rates.</p> <p>Inorganic collections are funded mainly from rates.</p>	<p>A major part of collection and disposal costs is recovered in the form of a charge by the bag (via bag sales).</p>	<p>Capital expenditure will be funded from appropriate sources in accordance with the financing policy as outlined in Section 3.2.</p>

13.4.1 WASTE COLLECTION AND DISPOSAL SERVICE

13.4.1.1 The Distribution of Benefits

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.

13.4.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity spread from short to long term.

13.4.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

This activity has arisen due to the negative effects of the production of solid waste by the residents. In part, it is caused by the City's growth. Council incurs costs in attempting to minimise the amount of waste that is produced and deposited in landfills.

13.4.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

User charge is a cost effective and transparent funding method, which will encourage a reduction of the amount of waste disposed of to landfill. However, user charge is not practicable or cost effective for the collection of inorganic waste.

13.4.1.5 Funding Sources

A portion of the costs of collection and disposal of domestic solid waste are recovered through user charge via rubbish bag sales, with the balance being funded mainly through a mixture of targeted and general rates.

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

13.4.1.6 The Overall Impact of the Funding Mechanism

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. This will have a favourable impact on the environmental wellbeing of the community.

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. For this reason, a portion of the cost is funded from a mixture of targeted and general rates. On balance, the environmental benefits of user pays on waste collection seem to outweigh the social costs associated with the issues of ability to pay.

13.5 RESOURCE RECOVERY

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
The cost of composting initiatives at the Transfer Station is covered mainly from rates.	Gate charges apply for waste delivered to the Transfer Station.	Sale of products recovered from the waste stream generates some revenue.

13.5.1 OPERATION OF THE TRANSFER STATION AND COMPOSTING INITIATIVES

13.5.1.1 The Distribution of Benefits

The provision of a composting service for green waste benefits the users of this service. This in turn will benefit 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.

13.5.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity occur both in the short and long term.

13.5.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

This activity has arisen due to the negative effects of the production of solid waste by the residents. In part, it is caused by the City's growth. Council incurs costs in attempting to minimise the amount of waste that is produced and deposited in landfills.

13.5.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

The funding of a part of the cost from user pays benefits the community because there is no financial burden to the community in providing a service that is used mainly for private benefit.

However, the application of user charges to recover the full costs is a disincentive for safe disposal of garden waste. Hence user pays components is relatively small.

13.5.1.5 Funding Sources

Disposal of garden waste is 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 are funded from rates. The funding options open for providing composting service for food waste are being explored.

13.5.1.6 The Overall Impact of the Funding Mechanism

Food and garden waste make up almost half of all waste 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 to promote environmental wellbeing of the community.

13.6 LITTER SERVICES AND ILLEGAL DUMPING

Main Sources of Funding

<i>Funded from Rates</i>	<i>Funded from User Charges</i>	<i>Funded from Other Sources</i>
<p>Enforcement of Bylaws</p> <p>Litter collection</p> <p>Assistance to community initiated clean-ups</p> <p>City Image services in town centres are funded partly by the business sector.</p>		<p>Fines are the preferred source of funding for enforcement of bylaws, but identification of offenders and recovery of fines are problematic.</p>

13.6.1 ENFORCEMENT OF BYLAWS, LITTER COLLECTION AND ASSISTANCE TO COMMUNITY

13.6.1.1 The Distribution of Benefits

The enforcement of bylaws and the collection of litter ensure a clean and safe city for the benefit of the community as a whole.

The provision of street litterbins benefits the community as a whole and the business sector. Most litterbins 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.

13.6.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity occur both in the short and the long term.

13.6.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

The enforcement of bylaws and the collection of litter are made necessary by the negative effects of the actions of a few. If these people could be identified and made to pay then this would be the fairest allocation of costs.

Council believes that the current increase in the number 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.

13.6.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

Funding of costs of enforcement of bylaws, including the disposal of abandoned vehicles through fines benefits the community because the community does not have to bear the cost of the negative effects of the actions of individuals or groups of individuals.

If the cost of identifying and prosecuting the offenders exceeds the revenue from fines, there is no direct financial benefit of adopting this funding technique, but it could send a strong signal to potential offenders.

13.6.1.5 Funding Sources

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 vehicles disposal.

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

13.6.1.6 The Overall Impact of the Funding Mechanism

Council places a high priority on cleanliness and city image, especially in town centres. Rates funding of these activities contributes to the overall social, economic, environmental and cultural wellbeing of the community.

Disposal of abandoned cars and other forms of litter in a proper manner will have a favourable impact on the environmental wellbeing of the community. However, if the ratepayers have to bear the costs imposed by exacerbators, it will have a negative economic impact on the community as a whole.

13.7 AFTERCARE

13.7.1 MANAGEMENT OF FORMER WASTE DISPOSAL SITES

13.7.1.1 The Distribution of Benefits

Aftercare of landfill sites is a service that Council provides where Council has a legal liability. Expenditure on aftercare is to eliminate the liability the Council has for closed refuse disposal sites.

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

13.7.1.2 The Period In or Over which Benefits are Expected to Occur

The benefits of this activity spread from short to long term.

13.7.1.3 The Effects of the Actions or Inaction of Individuals or a Group Contribution to this Activity

The funding of this activity has arisen due to the negative effects arising from the former waste disposal sites that need to be identified and managed in a safe and environmentally acceptable manner.

13.7.1.4 The Costs and Benefits of Funding the Activity Distinctly from Other Activities

It is not practical or cost effective to fund this activity distinctly from other activities.

13.7.1.5 Funding Sources

The costs of aftercare are funded from appropriate sources in accordance with the policy outlined in Section 3.2.

13.7.1.6 The Overall Impact of the Funding Mechanism

Aftercare is necessary to ensure that former waste sites are clearly identified and managed in a safe and environmentally sustainable manner so that community health and safety and environmental quality are protected. Funding of this activity from rates reflects the wider social benefits of aftercare, and it will have a favourable overall impact on the current and future social, economic and environmental wellbeing of the community.