



# He Tauira Kaupapa Here Tahua me te Moni Whiwhi

## Revenue and Financing Policy

This policy determines when debt and rates will be used as a funding source. This includes targeted rates for the cost of an activity or service that should be paid for by particular groups or ratepayers who benefit from the activity or service.



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## Purpose and scope

This policy outlines the choices Council has made in deciding the appropriate sources of funding for operating and capital expenditure from those sources listed in the Local Government Act 2002 (LGA). The policy also shows how the Council complied with section 101(3) of the LGA which sets out a number of factors we must consider when making these decisions. A comprehensive analysis of this is included in the Funding Needs Analysis (Appended).

The LGA requires that Council manages its revenues, expenses and other financial responsibilities in a prudent manner and in a way that promotes the current and future interests of the community as a whole.

Deciding the best way to fund activities is complex. Applying the legislation is complex and involves many statutes, regulations and multiple statutory policies. The outcome of balancing all those matters requires judgement having considered many factors including but not limited to:

- Legal.
- Social.
- Competition.
- Affordability.
- Impact of change.
- Efficiency.
- Equity.
- Cost.
- Intergenerational equity.
- Transparency.
- Accountability.
- Business.
- Strategic Alignment.
- Benefit.

In essence, the process involves council determining the activities that should be undertaken and the sources of funding (funding stream) that are most appropriate having regard for

### **Section 101(3)(a)**

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

### **Section 101(3)(b):**

The overall impact of any allocation of liability for revenue needs on the current and future social, economic environmental and cultural wellbeing of the community.

# Principles

In applying those considerations (section 101(3) a and b), the Council has developed some principles to assist in making informed and consistent choices under the legal framework, the following principles have been developed and applied:

- a. All funding options will consider affordability.
- b. Funding choices will support the outcomes of Tairāwhiti 2050.
- c. Council will explore funding options from all other sources before choosing rates to fund activities.
- d. In collaboration with Maori, funding choices will contribute to enabling the development of Maori land.
- e. Each generation should pay for the services they receive.
- f. Revenue collection will be obvious, transparent, efficient and simple.
- g. Actions and inactions that adversely affect the community, environment or Council assets can expect to pay more.
- h. Users of services can expect to contribute to the cost of operating the service.
- i. Borrowing will be used when it is financially efficient to do so and in the best interest of the community.

Complying with these principles can be challenging and compromise between principles is often required.

## Policy

### Funding sources for operating expenses

Operating expenses are the everyday spending on the services Council provides. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and overheads.

The funding of each activity must be considered individually. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a roading, and others from the general rate, such as civil defence.

The funding sources used for operating expenses are described in the following sections.

### User Charges

User charges are applied to services where it is identified there is a benefit to an individual or group. User charges are a broad group of fees charged directly to an individual or entity including but not limited to:

- Entry fees.
- Service charges.
- Hire.
- Rent, lease, licences for land and buildings.
- Permits.
- Regulatory charges.
- Fines and penalties.
- Connection fees.
- Disposal fees.
- Deposits.
- Private works.
- Memberships.
- Planning and consent fees.
- Statutory charges.
- Retail sales.

The price of the service is based on a number of factors, including:

- a. The cost of providing the service.
- b. The estimate of the users' private benefit from using the service.
- c. The impact of cost to encourage/discourage behaviours.
- d. The impact of cost on demand for the service.
- e. Market pricing, including comparability with other councils.
- f. The impact of rates subsidies if competing with local businesses.
- g. Cost and efficiency of collection mechanisms.
- h. The impact of affordability on users.
- i. Statutory limits.
- j. Other matters as determined by the Council.

The ability to charge user charges is limited by various statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the cost of providing the service. In some cases, legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (such as the Waste Minimisation Act 2008) fees may be set at greater than the cost of providing the service. It is appropriate to incorporate overhead costs when determining the cost of providing a service.

Generally where goods or services are sold commercially, and taking into consideration legislative limitations, fees are charged on sound commercial basis. This includes retail sales, leases, rents and licences for land and buildings.

Fees and charges may be set at any time and are reviewed annually. A list of current fees and charges is maintained on our website.

Generally revenue from user charges is allocated to the activity which generates the revenue.

## **Grants, sponsorship, subsidies and other income**

Grants, sponsorship and subsidies are used where they are available. Many of these types of income are regular and predictable and can be budgeted for. Some other types are unexpected or unpredictable and may not be able to be prudently budgeted (such as reparation payments, civil defence and other reimbursements, legal settlements and insurance claims).

## **Investment income and proceeds from the sale of assets**

The Council's approach to investments is documented in the Investment Policy. These investments generate income such as dividends, interest, and rents.

Generally, income from all asset disposals are receipted to the activity that manages the asset. Low value items are likely to fund operating costs. How proceeds from high value items are used will be decided by Council.

## **Development contributions, financial contributions and Lump sum contributions**

Generally, there is little revenue from these funding sources to fund operating costs. Development Contributions revenue can be used to fund the interest cost on debt for growth related capital projects and some financial contributions can be used for operating costs. Refer to Development Contributions Policy.

## **Reserve funds**

Reserve funds are used for the purposes that they were created. Cash-backed reserve funds may be used to meet operating costs. Depreciation Reserve funds are used for the purposes they were created, including the use for operating purposes where they may aid or protect the asset, such as significant costs for repairs and maintenance. Operational costs, such as feasibility studies, instigation costs are generally funded by other operational sources of funding, but reserves (including depreciation reserves) could be used when it is prudent to do so.

## **Borrowing**

Council generally plans to fund all cash operating costs from sources other than borrowing but may in specific circumstances, where it determines it is prudent to do so, fund some operating costs from borrowing.

## **Rates**

Council funds its operating expenses from rates when it is appropriate to do so. For many activities this is the main funding source.

The Council may establish general or targeted rates to fund operating costs.

## Summary of sources of funding for operation costs by activity

The funding sources as described above were considered when determining the funding required from general rates or targeted rates for each activity in the Funding Needs Analysis, as required by section 101(3)(a).

Table 1 shows the degree (expressed as a range) to which each funding source is used to fund operating costs following the s101(3)(a) of the LGA.

After the activity by activity analysis, the Council undertakes an analysis of the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. The results of this analysis may vary the outcome of the activity by activity analysis. This represents section 101(3)(a) assessment when it may be modified by the s101(3)(b) assessment of the LGA.

The ranges in Table 1 are expressed as a percentage of the revenue budgeted to fund each activity and are indicative only. They may change over time because of changes in expenditure requirements. Actual funding sources may differ from the budgeted funding sources.

### Funding Needs Analysis Ranges

ACTIVITY	Funding Stream	Funding Stream No.	GENERAL RATE (Includes	TARGETED RATES	FEES AND CHARGES	GRANTS AND SUBSIDIES	INVESTMENT INCOME	DCS	BORROWING
<b>Section One - Commercial Operations (Group Activity)</b>									
	Community Housing	FS-014	x	x	✓	x	x	x	x
	Dividends to Council from Commercial Operations & CCO's	FS-006	x	x	x	x	✓	x	x
	Gisborne Airport, Quarry & Miscellaneous Semi commercial Properties	FS-005	✓	x	✓	x	x	x	x
	Staff Housing	FS-015	x	x	✓	x	x	x	x

<b>Section Two - Environmental Services and Protection (Group Activity)</b>									
Building Consents	Building Consents	FS-030	x	✓	✓	x	x	x	x
	LIMs/PIMs	FS-029	x	x	✓	x	x	x	x
Resource Consents	Resource Consents	FS-043	x	✓	✓	x	x	x	x
Enforcement & Compliance	Animal Control (includes stock control)	FS-041	x	✓	✓	x	x	x	x
	Business Area Patrols (Also known as City Watch)	FS-022	x	✓	x	x	x	x	x
	Food & Registered Premises	FS-033	x	x	✓	x	x	x	x
	Gambling, Housing, Septic tanks, swimming pools, Harbour Master, Surf-lifesaving	FS-031	✓	x	✓	x	x	x	x
	Liquor Policy, Footpath occupation permits	FS-035	x	x	✓	x	x	x	x
	Noise Control	FS-032	x	✓	x	x	x	x	x
	Parking Services	FS-050	x	x	✓	x	x	x	x

Section Three - Community Lifelines									
Land, Rivers and Coastal (Group Activity)	Coastal Erosion Management Scheme	FS-062	✓	x	x	x	x	x	x
	Land Drainage	FS-060	x	✓	x	x	x	x	x
	Rivers Asset Management	FS-058	✓	x	✓	x	x	x	x
	Te Karaka Flood Control	FS-059A-B	✓	✓	x	x	x	x	x
	Waipapu River Erosion Protection Scheme	FS-059B	✓	✓	✓	x	x	x	x
	Wainui Property Protection Capital Works	FS-061	x	✓	x	x	x	x	x
	Waipaoa River Flood Control Scheme	FS-059A-A	✓	✓	✓	x	x	x	x
Roads and Footpaths (Group Activity)	Flood damage & Emergency Reinstatement	FS-054	✓	✓	x	✓	x	x	x
	Non Subsidised Local Roads	FS-051	x	✓	x	x	x	x	x
	Passenger Transport	FS-052	x	✓	x	✓	x	x	x
	Subsidised Local Roads	FS-053	✓	✓	✓	✓	x	x	x
Solid Waste (Group Activity)	<b>Waste Management</b>								
	Cleaning of Defined Public Places	FS-064	✓	x	x	x	x	x	x
	Commercial Recycling	No FS	x	✓	x	x	x	x	x
	Rural Transfer Stations	FS-066	✓	✓	✓	x	x	x	x
	Solid Waste	FS-065	x	✓		x	x	x	x
	Solid Waste Legacy Debt & after care provisions	FS-068	✓	x	x	x	x	x	x
	Waipapu Landfill	FS-067	✓	x	✓	x	x	x	x
	<b>Waste Minimisation</b>								
	Waste Minimisation	FS-069	✓	x	x	✓	x	x	x
Stormwater (Group Activity)	Stormwater	FS-057	✓	✓	x	x	x	x	
Wastewater (Group Activity)	Gisborne City Wastewater	FS-056-A	✓	✓	✓	x	x	x	x
	Te Karaka Wastewater	FS-056-C	✓	✓	✓	x	x	x	x
Water (Group Activity)	Water Supply	FS-055	✓	✓	✓	x	x	x	x

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Section Four - Liveable Communities (Group Activity)									
Cultural Activities	Libraries	FS-008	✓	x	✓	x	x	x	x
	Museum	FS-017	✓	x	✓	✓	x	x	x
	Theatres	FS-016	x	✓	✓	x	x	x	x
Recreation & Amenity	Aquatic & Recreational services	FS-007	x	✓	✓	x	x	x	x
	Cemeteries	FS-011	✓	x	✓	x	x	x	x
	Parks & Reserves	FS-013	x	✓	✓	x	x	x	x
	Leased Property	FS-009	x	x	✓	x	x	x	x
	Conveniences	FS-012	✓	x	✓	x	x	x	x
Catchments & Diversity	Animal, Plant and Aquatic Pest Management	FS-023	✓	✓	✓	✓	x	x	x
	Soil Conservation - Advocacy & Land Use	FS-024	x	✓	✓	✓	x	x	x
	Soil Conservation - Nursery and Reserve Management (included in FS-024)	FS-026	x	x	✓	x	x	x	x
Section Five - Regional Leadership and Support Services (Group Activity)									
Regional Leadership and Support Services	Civil Defence	FS-038	✓	x	x	✓	x	x	x
	Civic and Corporate Expenses of the District	FS-049	✓	x	x	x	x	x	x
	Treasury	FS-046	✓	x	x	x	x	x	x
	Governance	FS-045	✓	x	✓	✓	x	x	x
	Strategic Planning, Performance, Customer Engagement & Maori Responsiveness	FS-019	✓	x	x	✓	x	x	x
	Strategic Planning Private Plan changes	FS-037	x	x	✓	x	x	x	x
	Economic development & Tourism	FS-020	✓	✓	x	x	x	x	x
	Water Conservation	FS-027	x	✓	✓	✓	x	x	x

Range Name	Range	Key	
Unlikely	0	x	If LGRA Sec 21 calculation (cap) close to 30%, this activity funding can move to general rates
Minimal	0% - 20%	✓	
Low	20% - 40%	✓	
Moderate	40% - 60%	✓	
High	60% - 80%	✓	
Most	80% - 100%	✓	
All	100%	✓	

## Funding sources for capital costs

Capital costs are those costs associated with the purchase and improvement of assets and the repayment of debt. The funding sources for capital costs are described in the sections that follow.

Council funds capital expenditure include but not limited to: borrowing, development and financial contributions, operational surpluses, sale of assets, subsidies, depreciation reserves and other operational or capital reserves, lump sum contributions internal loans, grants or rates.

Councils Liability Management Policy, Investment Policy and Treasury Policy gives guidance on more specifics including mechanics of internal borrowing,

### User charges

User charges are not often used for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of collecting user contributions for capital costs.

The Council may charge for capital works that are solely for private benefit (such as, a network extension to a single dwelling) or where capital works are undertaken outside of Asset Management Plans at the request of individuals (for example, a rural seal extension for dust suppression).

### Grants, subsidies, and other income

The Council relies on significant subsidies for capital works relating to our transport activity, Waka Kotahi, Grants and subsidies may be available for other activities from time to time.

Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital costs could include bequests, insurance claims, and legal settlements.

Grants, subsidies and other income are used wherever they are available.

### Development contributions

Development Contributions (DCs) fund capital costs necessary to service growth, in accordance with our Development Contributions Policy (DC Policy).

DCs are applied on an activity and catchment basis as identified by the DC Policy. Growth projects identified in the DC Policy may be either completed projects (with debt yet to be repaid from future development contributions) or future projects planned in the period for which DCs may be collected.

Most contributions received are used to repay the debt on the growth portion of an assets and interest on that debt. A portion may pay for capital expenditure in the year it is receipted, depending on projects.

It is important to note that, in addition to the requirements of sections 103 and 101(3), the DC Policy describes funding matters in more detail as required by section 106(2)(c) of the LGA.

## **Financial contributions**

Financial contributions are collected under the Resource Management Act 1991 to avoid, remedy or mitigate adverse effects on the environment as conditions to resource consents. The requirements for these contributions are outlined in the Tairāwhiti Resource Management Plan. Many contributions are received as revenue by the vesting of assets although some may be paid directly to us.

## **Proceeds from the sale of assets**

From time-to-time, assets are disposed of. Usually these are low value items and the revenue is received by the activity that manages the assets.

The Council holds some higher value assets for investment purposes which, although not budgeted for, could be sold. Unrestricted proceeds from the sale of these assets would be used to repay debt, unless otherwise resolved by Council. Restricted revenues would be placed in the appropriate reserve fund and used for the purpose required by the document that imposes the restriction (such as the Capital Development Reserve Fund).

## **Reserve funds**

Reserve funds for capital projects are held and the funds are used when a project meets the specific criteria for accessing the reserve. This includes renewal funding derived from rates for operating costs such as depreciation and other accounting provisions.

## **Borrowing**

The Council borrows to fund its asset programme. The amount of borrowing available is restricted by the debt limits set in the Financial Strategy.

Borrowed funds, both the principal and interest components, are generally repaid by future rates.

Borrowing spreads the cost of the project over a longer period of time, smoothing changes in rates and ensuring that future ratepayers who will enjoy the benefit of long-lived assets contribute to their costs.

## **Lump sum contributions**

When undertaking a major project, there is an option to seek lump sum contributions to the capital cost of the project from those who are identified in the project's "capital project funding plan". Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have restrictions placed on how they are used. Where a lump sum payment option is proposed ratepayers may choose to pay the lump sum or not. If not, the rating unit will be liable to pay any targeted rate set to recover the loan costs.

## Rates

Rates are mostly used to fund everyday expenses including depreciation and interest costs related to borrowing.

A portion of rates funds the capital (principal) repayments of debt.

We may establish targeted rates to fund specific capital projects where there is a benefit of separate funding.

Council holds reserve funds for capital expenditure. Some funds in these reserve funds has been sourced from rates.

Rates may include the growth portion of any project or groups of projects that are unable to be funded from a DC Policy.

We may establish rates to fund in advance of a capital project.

## Summary of sources of funding for capital costs by activity

Capital costs will be funded on the same basis as the operating costs funding policy unless the Council resolves otherwise. Such a resolution will follow the funding guidelines and in doing so will be consistent with this policy and not require an amendment to the policy. Existing projects (projects resolved prior to the adoption of this policy) will be funded according to the Annual Plan, Long Term Plan or other resolution made at the time Council approved the project. It is not practicable to determine a funding policy for an unknown future project, at this time.

The Council uses the following guidelines when considering the funding of capital projects:

- a. A Funding Needs Analysis will be completed (see paragraph 54).
- b. All projects are first funded from grants, subsidies or other income (e.g. external contributions, donations or bequests).
- c. Renewal projects that maintain the same service level are then funded from reserve funds set aside for that purpose.
- d. Reserve funds for other purposes (such as financial or development contributions) are considered.
- e. Lump sum rating options are considered.
- f. Projects that have exhausted previous funding sources or are for new or increased service levels or for growth in non-network infrastructure are generally funded from debt.

A single project may have a mix of each of these funding options.

It is not practical to create separate funding policies for each and every capital project. The Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity.

Whenever funding a capital project, the Council will consider the available sources of funds, the Revenue and Financing Policy, section 101(3) of the LGA in applying the above guidelines to a capital project. Generally, the Council will resolve the funding policy at the time the project is proposed in an Annual or Long Term Plan.

## Overall funding consideration

We are required by section 101(3)(b) of the LGA to consider “the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community”. This section allows that as a final measure, we may modify the overall mix of funding that would otherwise apply after the initial s101(3)(a) analysis for both operating and capital expenditure.

The following adjustments have been made:

- a. The allocation of the rates liability between sectors of the rating base may be altered by using differentials on the general rate and certain targeted rates. The allocations in this Long Term Plan were determined by the Council after consultation with the community in 2020. The Council may modify these differentials during the term of the Long Term Plan to reflect a change in benefit or to achieve better community outcomes or wellbeing.
- b. Rates affordability (people’s ability to pay rates) is an issue in parts of the region. Adjustments to limit the impact of fixed rates on lower value homes (or otherwise referred to in general terms as “rating units” ) were made so that rates are more affordable for lower value homes.
- c. The Council may waive or discount fees and charges where it is considered appropriate to do so. Some matters we may consider in deciding whether it is appropriate to waive fees are for social reasons, the promotion of events and facilities, commercial reasons, due to poor service or to minimise risk.
- d. The Council may remit rates where it considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policy (including Māori Freehold Land). These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (such as additional or no provision of some services), or unintended consequences arising from the application of a rating policy.
- e. The Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years to smooth the cost to users and ratepayers.
- f. We may modify the allocation of liability for growth related network infrastructure projects when considering the matters required by s106 in the DC Policy.

## Rates

Our final consideration of funding by rates comes:

- a. After considering how other funding sources will be used to fund operating and capital costs.
- b. After rates have been applied to activities in the Funding Needs Analysis; and/or
- c. After being adjusted for the overall funding considerations.

The following section outlines the Revenue and Financing Policy requirements that are used to set rates. To have a full understanding of rates they should be read with regard to the analysis above and in conjunction with the Rating Setting Profile, Funding Impact Statement and Rates Resolution.

## General rates

The general rate is allocated to all rateable properties based on the capital value of the property. A Uniform Annual General Charge (UAGC) will be set on each separately used or inhabited part (SUIP) of all rating units.

The Council has determined in its Funding Needs Analysis which activities should be funded from general rates (see Table 1).

The Council has chosen to differentiate the General Rate into four rating categories:

- a. Residential.
- b. Commercial and Industrial.
- c. Horticulture and Pastoral.
- d. Forestry.

The Council primarily uses valuation data (specified in the Rating Valuations Rules) to determine the allocation of rating units to Differential rating categories. The full definitions can be found in the rates Funding Impact Statement and Rate Setting Profile and may change during the term of this Long Term Plan.

In setting the differential categories, and the differential factors, the Council considered the requirements of the LGA and a number of other considerations, including:

- a. The activities funded by the general rate and the s101(3) considerations for the activities.
- b. The impact of any change, or rate of change to the differential.
- c. The views of those impacted by the differentials.
- d. Other reasonable options, and the advantages and disadvantages of those options.
- e. The overall impact of the differential on ratepayers.

The Uniform Annual General Charge (UAGC) is part of the general rates and is a fixed rate. The Council can set the UAGC based on an allocation of the cost of specific activities or at an amount the Council considers is appropriate. In past years, the Council has preferred to base the UAGC on the allocation basis. The costs allocated to the UAGC are listed in the Rates Setting Policy.

The Council recognises the regressive nature of fixed rates. Rates affordability is a matter the Council considers when setting the UAGC. Council's remissions policies provide for some adjustment to UAGCs for properties where the rate may be unjust or unaffordable. During the term of this Long Term Plan the Council may adjust the UAGC as part of its rate setting process in order to improve community wellbeing for current and/or future communities.

If the cost allocation from activities (as described in the Rates Setting Policy) is amended, or an adjustment is made to the UAGC to improve community wellbeing, the amount removed from the UAGC will remain part of general rates.

## Cap on rates

The Local Government (Rating) Act sets a maximum amount that can be collected from certain rates. Rates included in the cap are the UAGC and Targeted Rates set on a uniform basis as a fixed amount per rating unit or separately used or inhabited part. This maximum amount is 30% of the total rates revenue.

There are two rates excluded from the cap. These are targeted rates that are set solely for water supply or sewage disposal. If the 30% cap is forecast to be exceeded, Council will move one or more activities funded in this way to a district-wide General Rate based on Capital Value. This process will occur as part of the Long Term Plan and Annual Plan rates setting and modelling each year. The activities that will move out of the UAGC to the General Rate, if required, are as follows:

- a. Strategic Planning, Performance, Customer Engagement and Maori Responsiveness
- b. Civil Defence and Emergency Management
- c. Economic Development
- d. Civic and Corporate Expenses of the District

## Targeted rates

Targeted rates are finalised when adopting the Funding Impact Statement in the Long Term Plan or an Annual Plan. The Council may introduce new targeted rates in accordance and in consideration of section 102 of the LGA, when setting rates in any year as documented in the respective year's Funding Impact Statement and Rates Resolution. The Council's requirement to consult on the Annual Plan is determined by s95A of the LGA.

The rates assessment contains information about what activities each ratepayer contributes to funding. Information on targeted rates is listed in the Rates Setting Profile, Rates Resolutions and Funding Impact Statement for each year.

The Council consulted on changes to targeted rates in its 2020 rates review, the outcomes of which are reflected in this Revenue and Financing Policy and other relevant policies.

## References

The Funding Needs Analysis, section 101(3) of the LGA, provides the background and analysis to explain the funding decisions we have made. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy. See Appendix 1.

The Development Contributions Policy provides further analysis, as required by section 106(2)(c) of the LGA. This explains why we have chosen to use development contributions to fund the capital costs needed to meet increased demand for infrastructure.

The Investment and Liability Management Policy places restrictions on the use of the proceeds from asset sales.

The Rates Setting Profile further clarifies funding requirements by documenting matters not included in the rates Funding Impact Statement, rates resolutions or this Revenue and Financing Policy. It includes definitions and maps for rating areas.

The Funding Impact Statement is included in each Long Term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10 of the LGA. This statement shows the results of the detailed rates calculation for each year.

Together the above documents form the necessary components to lawfully charge under the LGA for our revenue requirements. We must also comply with other legislation regarding the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.

## Funding Needs Analysis

This Funding Needs Analysis records the detailed application of LGA s101(3). The Revenue and Financing Policy describes how the Council has complied with LGA s101(3).

### Purpose and scope

The Funding Needs Analysis (FNA) provides the background and analysis to explain the funding decisions made by the Council.

To comply with section 101(3),<sup>1</sup> the Council must determine the appropriate sources of funding for each activity. In determining this, they must take into consideration under s 101(3)(a):

- a. "The community outcomes to which the activity primarily contributes.
- b. The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
- c. The period in or over which those benefits are expected to occur.
- d. The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
- e. The costs and benefits, including consequences for transparency and accountability, of funding<sup>2</sup> the activity distinctly from other activities."

Having completed the above analysis the Council must then consider, under section 101(3)(b): "The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community."

The legislation places no more or less weight or priority on any one of the factors listed in section 101(3)(a).

The following sections document the matters and approaches the Council has taken to determine the funding needs of an activity and how that translates into the Council's decision on the appropriate funding sources to be used.

### Previous reviews

The FNA was last reviewed in 2018, prior to the adoption of the Revenue and Financing Policy included in the 2018-28 Long Term Plan (LTP).

The Council undertook a full review and rewrite in 2020. Changes have been made reflecting the considerations of the Council as they considered the funding of activities in developing the 2021-2031 LTP.

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<sup>1</sup> All references to legislation are to the Local Government Act 2002 (LGA), unless otherwise stated.

<sup>2</sup> The funding sources are listed in section 103 LGA and the Council's preference for using funding sources is described in the Revenue and Financing Policy.

## Funding sources for operating costs

Operating costs are the everyday spending that maintains the services delivered by the Council. This includes corporate overheads, funded wear and tear on assets (depreciation) and interest costs of borrowing for capital projects.

The Council must consider the funding for each activity in a way that relates exclusively to that activity. Some activities may be best funded by user charges such as swimming pool entry fees, others with targeted rates and others from a general rate. Distinct funding may assist ratepayers or payers of user charges to assess more readily whether the cost of the service provided to them either directly or indirectly represents good value. They can also more easily determine how much money is being raised for the service and spent on the service.

The funding sources for operating and capital costs are:

- a. Fees and charges.
- b. Grants and subsidies and fuel taxes.
- c. Other income.
- d. Investment income.
- e. Financial contributions
- f. Development contributions
- g. Reserve funds.
- h. Borrowing
- i. Proceeds from the sale of assets
- j. Rates
- k. General rate
- l. Targeted rates.

Each funding source and how the Council prefers to use that funding source for operating expenses is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

**Table 1: Matters the Council considers in applying the legislation for operating expenses**

Section 101(3)(a) - Step 1 reference	Matters Council might consider
<b>Community outcomes - s.101(3)(a)(i)</b>	<p>The Council determines which of its community outcomes an activity primarily contributes to.</p> <p>Eight Community Outcomes are identified in Tairāwhiti 2050. This spatial plan creates a link between community wellbeing, community outcomes, opportunities and aspirations for 2050. These then link through to five important challenges to be addressed to achieve the Tairāwhiti we want by 2050.</p> <p>The Council will consider how their funding choices will support the achievement of the community outcomes and their aspirations for 2050.</p>
<b>Distribution benefits - s.101(3)(a)(ii)</b>	<p>The distribution of benefits is given consideration by the Council. Determining benefit is inherently subjective and is for the Council to determine.</p> <p>Where the Council considers there is a clearly identified direct relationship between users and the services provided then the Council will consider fees and charges or targeted rates.</p> <p>Where the Council considers the services provide a benefit to the community as a whole; is of a uniform nature; or where the Council is not able to identify a direct relationship between users and the service the Council will consider using general rates.</p>

Section 101(3)(a) - Step 1 reference	Matters Council might consider
<b>Period of benefit - s.101(3)(a)(iii)</b>	<p>For most operational expenses the benefit is received in the year the expense is incurred.</p> <p>For most activities' depreciation (an operating expense) is cash funded from revenue sources and this is placed into reserve funds for the future renewal of assets.</p> <p>Some operational expenses (provisions) may have a benefit over multiple years and so the Council may choose to fund the activity over that period.</p>
<b>Who creates the need - s.101(3)(a)(iv)</b>	<p>Some services are provided because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>The Council may choose to target these people or organisations through fines, charges or rates.</p>
<b>Separate funding - s.101(3)(a)(v)</b>	<p>The Council must consider the practicalities of separate funding along with transparency and accountability.</p> <p>In some cases, while it may be desirable to charge individuals there may be no practical way of doing so.</p> <p>For all activities the Council is able to easily identify what proportion of operational expenses is recovered from each funding sources. In the case of rates the Council is able to inform individual ratepayers of their rates contribution to each activity.</p>

Analysis for operating costs by activity is described in Schedule 1.

## Funding sources for capital costs

Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs include:

- a. Fees and charges.
- b. Grants and subsidies and fuel taxes.
- c. Other income.
- d. Investment income.
- e. Financial contributions
- f. Development contributions
- g. Reserve funds.
- h. Borrowing
- i. Proceeds from the sale of assets
- j. Rates
  - General rate
  - Targeted rates.

Each funding source and how the Council prefers to use that funding source for capital expenses is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

### Analysis for capital costs by activity

Capital costs would be funded on the same basis as the operating costs funding policy unless the Council resolves otherwise. Such a resolution will follow the funding guidelines and in doing so would be consistent with this policy and would not require amendment to the policy. Existing projects (projects resolved prior to 3 December 2020) will be funded according to the Annual Plan, Long-term Plan or other resolution at the time of the Council approving the project. It is not practicable to determine a funding policy for an unknown future project, at this time.

The Council uses the following guidelines when considering the funding of capital projects:

- a. A Funding Needs Analysis will be completed (see paragraph 18).
- b. All projects are first funded from grants, subsidy or other income.
- c. Renewal projects that maintain the same service level are then funded from reserve funds set aside for that purpose.
- d. Reserve funds for other purposes (e.g. financial or development contributions) are considered.
- e. Lump sum rating options are considered.
- f. Projects that have exhausted previous funding sources or are for new or increased service levels or for growth in non-network infrastructure are then funded from debt.

A single project may have a mix of each of these funding options.

It is not practical to create separate funding policies for each and every capital project. The Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity.

Whenever funding a capital project, the Council will consider the available sources of funds, the Revenue and Financing Policy, section 101(3) in applying the above guidelines to a capital project. Generally, the Council will resolve the funding policy at the time the project is proposed in an Annual or Long-term Plan. In undertaking this assessment, it shall have regard to the matters in Table 2.

Each funding source and how the Council prefers to use that funding source for capital expenses is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

**Table 2: Matters the Council considers in applying the legislation for capital expenses**

LGA s.101(3) reference	Matters Council might consider
<b>Community outcomes - s.101(3)(a)(i)</b>	<p>The Council determines which of its community outcomes the capital project or activity contributes to.</p> <p>Eight Community Outcomes are identified in Tairāwhiti 2050. This spatial plan creates a link between community wellbeing, community outcomes, opportunities and aspirations for 2050. These then link through to five important challenges to be addressed to achieve the Tairāwhiti we want by 2050.</p> <p>The Council will consider how their funding choices will support the achievement of the community outcomes and their aspirations for 2050.</p>
<b>Distribution benefits - s.101(3)(a)(ii)</b>	<p>The distribution of benefits is expected to be the same as that for the operating costs of the activity in which it is funded unless the Council resolves otherwise.</p> <p>The Council may choose to target those people or organisations who primarily benefit through financial and development contributions, lump sum options or targeted rates.</p>

LGA s.101 (3) reference	Matters Council might consider
<b>Period of benefit- s.101(3)(a)(iii)</b>	For most capital projects the benefit is received over the life of the asset. The Council will have regard to the equitable distribution of costs to each generation for the construction and renewal of the asset. For example, this may result in the Council not funding asset renewal while still funding debt.
<b>Who creates the need- s.101(3)(a)(iv)</b>	Some services are provided because the actions or inactions of individuals or groups create the need to undertake the activity.  The Council may choose to target these people or organisations through financial contributions or targeted rates.
<b>Separate funding- s.101(3)(a)(v)</b>	The Council must consider the practicalities of separate funding along with transparency and accountability.  In some cases, while it may be desirable to charge individuals there may be no practical way of doing so.  For many smaller capital projects, it is not practical to have a separate funding policy. Where the Council does not resolve otherwise a capital project will be funded in accordance with the funding mechanism adopted for the operating costs in the activity in which it is funded.

For growth-related capital projects a separate s.101 (3) analysis is required in the Financial and Development Contributions Policy, as required by s106.

## Funding bands

After considering the section 101(3)(a) components, the Council considers to what extent each of the funding sources is able to fund each activity. This policy is intended to be in place for the next three years before it is reviewed and because things change over time, it is not possible to precisely determine the percentage allocated. For this reason, the Council has decided to band the percentages into the categories listed in table three.

The assessment in Schedule 1 identifies the most likely sources of funding an activity is budgeted to receive. In all cases, rates fund the balance of the activity after all other sources have been maximised. It is likely that from time to time the Council will be able to secure additional funding that may be become available.

Budgets will normally be set within these ranges. These ranges are expressed as a percentage of the cost of the activity and are indicative only. They may change over time because of changes in expenditure rather than changes in revenue. It is also likely that actual funding sources will be different from budgeted funding sources.

**Table 3: Funding bands**

Name	Percentage range
Unlikely	0%
Minimal	0% - 20%
Low	20% - 40%
Moderate	40% - 60%
High	60% - 80%
Most	80% -100%
All	100%

### Funding sources and rationale

The 'Rationale' column of Schedule 1 identifies which of the funding sources the Council plans to use in budgeting to fund the operating costs of each activity. It is determined by the Council after consideration of each clause of section 101(3)(a).

The assessment of the funding sources is a complex matter of weighing up the requirements of section 101(3)(a) with the available sources and the Council's preferences for using these sources. The Council has documented its rationale for choosing each the funding source in this Funding Needs Analysis and the Revenue and Financing Policy.

The funding source for an activity may be modified by the Council when it considers the requirements of section 101(3)(b). If this has occurred, it is considered as part of the overall funding considerations section in the Revenue and Financing Policy.

## Schedule One: Activity Funding Needs Analysis

### Group Activity: Environmental Services and Protection

Activity: Building consents						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> <li>A vibrant city centre and townships and is associated with Council's outcome:</li> <li>We take sustainability seriously.</li> </ul> <p>We support quality development that improves housing choices, creates healthy homes and meets the needs of Māori.</p>	<p>Individuals that apply for consents, licenses and use other services in this area directly drive the majority of the costs. Services within this activity also provide for the safety of the public, and requirements earthquake prone buildings. Information is supplied to the public through inquiries, for example providing support to potential applications or responding to service requests. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users.</li> <li>Partly to the district as a whole.</li> </ul>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced. There is a secondary benefit to future housing stock that is fit for purpose.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>The distinct beneficiaries for each component support multiple funding streams.</p>	<p>Fees and charges are favoured for the full cost of LIMs and PIMS. Although the primary benefit of a building consent sits with the consent holder the Tairāwhiti 2050 plan desires that we have a great place to live work and play. And so, Council wants to encourage growth and improvement of existing housing and businesses. For these reasons Council considers it appropriate to fund a portion of the costs of consents from ratepayers rather than consent applicants.</p>	<p><b>LIMs /PIMS (FS-029)</b>  <b>ALL (100%)</b>            Fees and charges  <b>UNLIKELY</b>            All other funding sources.  <b>Building Services (FS-030)</b>  <b>HIGH (60% - 80%)</b>            Fees and charges  <b>LOW (20% - 40%)</b>            Targeted rates  <b>UNLIKELY</b>            All other funding sources.</p>

Activity: Enforcement and compliance						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcomes of:</p> <ul style="list-style-type: none"> <li>• A vibrant city centre and townships</li> <li>• We celebrate our heritage.</li> </ul> <p>Tairāwhiti has a circular economy that supports diverse, inclusive and sustainable growth. We are future focussed and plan and care about the future of the region and how to enhance its natural and built environment for future generations.</p> <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging. The lifestyle, services and facilities here enable communities to live a balanced and happy life and attract visitors and residents from across Aotearoa and the world.</p>	<p><b>Animal Control</b> minimise danger, distress and nuisance caused by stray dogs and to ensure the control of stock on the roads of the district in the interests of public safety.</p> <p><b>Parking Services</b> benefits:</p> <ul style="list-style-type: none"> <li>• Individual users benefit from vehicle rotation.</li> <li>• Total mobility parks need controls to ensure legitimate road users can access these parks.</li> <li>• CBD business benefit by constant rotation of parks. Individual benefit for road users for ticketing offences under the Transport Regulations.</li> <li>• Minor enforcement role in outer suburban shopping centres.</li> </ul> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• Primarily to individual users.</li> <li>• Partly to the district as a whole.</li> </ul>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity. Some activities are undertaken to protect others from the actions of licensees or consent holders.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Fees and charges for Environment Health licensing etc, Parking Services and for some Animal Control services (e.g. impounding costs) recognise there is a direct benefit for the user the services in this activity.</p> <p>Fees and charges for Animal Control are largely collected in registration the owners of dogs in recognition that it is their action of owning a dog or then inaction of controlling a dog or stock that drives costs.</p> <p>Targeted rates recognise that a portion of animal control and environmental health benefit different parts of the community. It provides transparency of the costs a ratepayer is paying toward these activities.</p>	<p><b>Animal Control (includes Stock) (FS-041)</b> <b>HIGH (60% - 80%)</b> Fees and charges <b>LOW (20% -40%)</b> Targeted rates <b>UNLIKELY</b> All other funding sources.</p> <p><b>Parking (FS-050)</b> <b>ALL (100%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources.</p> <p><b>Business Area Patrols City Watch (FS-022)</b> <b>ALL (100%)</b> Targeted rates <b>UNLIKELY</b> All other funding sources.</p>

Activity: Enforcement and compliance

	<p><b>Environmental Health</b> promotes and improves human health, safety, comfort and wellbeing for all persons in the Gisborne district and protects the environment from preventable harm.</p> <p>Environmental Health comprises noise control, food and registered premises, gambling policy, liquor policy, housing, on-site wastewater (septic tanks), water supply monitoring, swimming pool monitoring, footpath occupation permits, harbourmaster functions and surf lifesaving.</p> <p>The main beneficiaries are:</p> <ul style="list-style-type: none"> <li>• are business owners, consent holders, occupiers and</li> <li>• the community as a whole.</li> </ul>				<p><b>Gambling Policy, Housing, On-site Wastewater (Septic tanks) Swimming Pool Monitoring, Harbourmaster Functions, Surf Lifesaving (FS-031)</b></p> <p><b>HIGH (60% -80%)</b> General Rates <b>LOW (20% - 40%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources.</p> <p><b>Noise Control (FS-032)</b></p> <p><b>ALL (100%)</b> Targeted rates <b>UNLIKELY</b> All other funding sources.</p> <p><b>Food and registered Premises (FS-033)</b></p> <p><b>ALL (100%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources.</p> <p><b>Liquor Policy, Footpath Occupation Permits (FS-035)</b></p> <p><b>ALL (100%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources.</p>
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Activity: Resource consents						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcomes of:</p> <ul style="list-style-type: none"> <li>A vibrant city centre and townships</li> <li>We celebrate our heritage and is associated with Council's outcome:</li> <li>We take sustainability seriously.</li> </ul> <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging. The lifestyle, services and facilities here enable communities to live a balanced and happy life and attract visitors and residents from across Aotearoa and the world. We recognise the intrinsic value of ecosystems and biodiversity. There is no further loss of significant natural, cultural or historic heritage. We have restored key areas of the environment as Tairāwhiti grows. We all practice active guardianship.</p>	<p>Individuals that apply for consents and use the other services in this area are the predominant beneficiaries of this activity. Through their actions they directly drive the majority of the costs.</p> <p>These resource consent activities also provide benefit to persons other than the applicant such as future owners and occupiers of the land (a property-based benefit). There is also a person-based benefit in relation to the information that is supplied to the public through inquiries, for example providing support to potential applications or responding to service requests.</p> <p>Future residents benefit from the protection of our environment and our response to climate change.</p> <p>Resource Consent Compliance Monitoring and RMA Enforcement benefits the consent holder and the community. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users.</li> <li>Partly to the district as a whole in support of the community outcomes.</li> </ul>	<p>The principle benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>There is a secondary benefit to future sustainability.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>A user charge recognises the benefits to people who apply for resource consents.</p> <p>Although the primary benefit of a resource consent sits with the consent holder the Tairāwhiti 2050 plan desires that we have a great place to live work and play and we look after our ecosystems. And so, Council wants to encourage a high level of consent compliance. For these reasons Council considers it appropriate to fund a high portion of the costs of consents from ratepayers rather than consent applicants.</p>	<p><b>Resource Consents (FS-043)</b></p> <p><b>HIGH (60% - 80%)</b></p> <p>Targeted rates</p> <p><b>LOW (20% - 40%)</b></p> <p>Fees and charges</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>

## Group Activity: Land, Rivers and Coastal

Activity: Land, river and coastal						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> <li>Resilient Communities and is associated with Council's outcomes:</li> <li>A vibrant city centre and townships</li> <li>We take sustainability seriously.</li> </ul> <p>We have increased the resilience of our infrastructure, economy and our communities.</p>	<p>Rivers Asset Management: There is a mix of community public good and identifiable parts of the community benefiting.</p> <p><u>Wider Community:</u></p> <ul style="list-style-type: none"> <li>The wider community benefits through processing of consents, advocacy for the activity and providing them with information about flooding areas and erosion protection.</li> <li>Flood warnings are available for the wider community.</li> </ul> <p><u>Identifiable parts of the community</u></p> <ul style="list-style-type: none"> <li>Those specific people who receive flood warnings for properties and land.</li> <li>People requesting resource consents and information.</li> <li>Those on the Poverty Bay flats benefit more than others from the management / administration of the activity because there is a flood protection scheme on the Poverty Bay flats.</li> </ul>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>Rivers management and flood control provide a large benefit to the wider community by enabling the protection of property and more resilient economic activity. For this reason, rating options extend beyond the direct beneficences and across the region when Council considers that appropriate. Some protection (rivers or coastal) has a high degree of direct benefit to individuals and Council when appropriate will adjust the allocation of funding to these groups.</p>	<p><b>River Asset Management (FS-058)</b></p> <p><b>MOST (80% - 100%)</b></p> <p>General rate</p> <p><b>MINIMAL (0% - 20%)</b></p> <p>Fees and charges</p> <p><b>UNLIKELY</b></p> <p>All other funding sources</p> <p><b>Flood Control - Waipaoa (FS-059A-A)</b></p> <p><b>MODERATE (40% - 60%)</b></p> <p>General rates</p> <p><b>LOW (20% - 40%)</b></p> <p>Targeted rates</p> <p>Fees and Charges</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p> <p><b>Flood Control - Te Karaka (FS-059A-B)</b></p> <p><b>MOST (80% - 100%)</b></p> <p>Targeted rates</p> <p><b>MINIMAL (0% - 20%)</b></p> <p>General rates</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>

Activity: Land, river and coastal						
	<p><b>Flood Control (Waipaoa, Te Karaka, Ruatoria):</b> Economic benefit to the wider community especially employment and cropping opportunity. Individual beneficiaries - protection of private property.</p> <p><b>Land Drainage:</b> The community as a whole does not receive any specific benefits. Individuals receive the entire benefit.</p> <p><b>Wainui Foredune Protection:</b> Individual residents who have properties on the Wainui shore and the wider community who utilise this stretch of beach.</p> <p><b>Coastal Protection Schemes:</b> Individual residents who have properties on the shore.</p> <p><b>River channel maintenance and infrastructure works:</b></p> <ul style="list-style-type: none"> <li>There is a mix of community, public and identifiable parts of the community benefiting. Wider Community - The wider community benefits through continuity of access along some roadways in identified essential channel works areas.</li> </ul>					<p><b>Waiapu River Erosion Protection - Ruatoria (FS-059B)</b></p> <p><b>MODERATE (40% - 60%)</b></p> <p>General rates Targeted rates</p> <p><b>MINIMAL (0% - 20%)</b></p> <p>Fees and charges <b>UNLIKELY</b></p> <p>All other funding sources.</p> <p><b>Land Drainage (FS-060)</b></p> <p><b>ALL (100%)</b></p> <p>Targeted rate <b>UNLIKELY</b></p> <p>All other funding sources</p> <p><b>Coastal Erosion Management Scheme Rate (FS-062)</b></p> <p><b>ALL (100%)</b></p> <p>General rate <b>UNLIKELY</b></p> <p>All other funding sources</p>

Activity: Land, river and coastal

	<ul style="list-style-type: none"> <li>• Identifiable parts of the community:             <ul style="list-style-type: none"> <li>○ All properties and businesses including residents and owners within the area of the essential channel maintenance works benefit due to reducing any erosion issues.</li> </ul> </li> <li>• The road infrastructure within the area of the essential channel maintenance works benefit due to reducing any erosion issues.</li> </ul>					<p>Wainui Property Protection Capital Works (FS-061) <b>ALL (100%)</b> Targeted rate <b>UNLIKELY</b> All other funding sources</p>
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**Group Activity: Roads and Footpaths**

Activity: Roads and footpaths						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> <li>• Connected and safe communities, and is associated with Council's outcomes:</li> <li>• Resilient communities</li> <li>• A vibrant city centre and townships</li> <li>• We take sustainability seriously.</li> </ul> <p>Our communities and business are connected to each other and to our markets by a safe efficient and integrated transport network. Walking, cycling and public transport are preferred choices.</p>	<p><b>Roading:</b> The roading network serves the whole region and everyone benefits. Roads, street lighting, signage, maintenance of wharfs and footpaths are provided as a public good. Individuals and business benefit directly from access to property and facilities. Roads are necessary to deliver export products to markets within Gisborne, New Zealand and the world. Gisborne District's economic prosperity is dependent on production from its rural catchment. Roads provide corridors for other utility providers such as power, communications, water and wastewater. Residential streets, suburban shopping areas (parking) and rural townships benefit from non-subsidised roading expenditure.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>There is an impact of the actions or inactions of others. Costs are driven by traffic volumes and size (eg heavily loaded vehicles cause more wear and tear damage on roads than lighter vehicles) The forestry industry at times of harvest creates significant damage beyond that of other users to roads. The growth of the forestry industry is leading to greater roading damage.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity. There are few reasonably practicable options for charges in users directly for their use of or damage to the roads.</p>	<p>Subsidies are primarily sourced from Waka Kotahi New Zealand Transport Agency. Additional funding will be sourced whenever available (e.g. Provincial Growth Fund) Council also collects a small amount of regional petrol tax. Council maximises the amount of subsidy for the level of spending it approves. The whole region benefits from the roading network. Targeted rate for subsidised and non-subsidised roading and flood damage and emergency reinstatement allow for the differential allocation of benefit to sectors and adjustment of costs associated with those whose actions cause damage.</p>	<p><b>Non-subsidised Local Roads (FS-051)</b> <b>ALL (100%)</b> Targeted rates <b>UNLIKELY (0%)</b> All other funding sources <b>Subsidised Local Roads (FS-053)</b> <b>HIGH (60%-80%)</b> Grants and subsidies <b>LOW (20%-40%)</b> General rates Targeted rates <b>MINIMAL (0% - 20%)</b> Fees &amp; Charges <b>UNLIKELY (0%)</b> All other funding sources <b>Flood Damage and Emergency Reinstatement (FS-054)</b> <b>HIGH (60%-80%)</b> Grants and subsidies <b>LOW (40%-60%)</b> Targeted rates 24% <b>MINIMAL (0%-20%)</b> General rates 8% <b>UNLIKELY (0%)</b> All other funding sources</p>

Activity: Roads and footpaths

	<p><b>Passenger Transport:</b> The Gisborne Regional Public Transport Plan specifies target groups of beneficiaries.</p> <ul style="list-style-type: none"> <li>• Those less mobile members of our community, Total Mobility and Super Gold card holders.</li> <li>• Those users without access to vehicles.</li> <li>• School students who don't comply with Ministry of Education passenger transport criteria.</li> </ul> <p>The benefit is limited to Gisborne City.</p> <p><b>Road Safety:</b> Road Safety provides education for the benefit of the whole community.</p> <p><b>Emergency Works</b> Unplanned maintenance required following weather events. Beneficiaries are the same as for routine maintenance.</p>				<p>An allocation of costs to a UAGC allows for the benefit individual rating units get from access to the network.</p> <p>Targeted rate for passenger transport limited to the city. Fees and charges are collected by the contractor and is recognised in the contract price.</p>	<p><b>Passenger Transport (FS-052)</b> <b>HIGH (60%-80%)</b> Grants and subsidy <b>LOW (20%-40%)</b> Targeted rates <b>UNLIKELY (0%)</b> All other funding sources Note: the above does not include revenue collected by the contractor.</p>
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**Group Activity: Solid Waste**

Activity: Waste management						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> <li>• We take sustainability seriously and is associated with Council's outcomes:</li> <li>• Resilient communities</li> <li>• A vibrant city centre and townships.</li> </ul>	<p>Individuals and businesses benefit directly from having waste and recycling collected from properties. The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• Primarily to individual users</li> <li>• Partly to the district as a whole</li> </ul> <p><b>Cleaning of defined public places:</b> The whole community benefits from a cleaner environment.</p> <p><b>Domestic solid waste collections:</b> Individual households (separately used or inhabited part of a property) who receive the service benefit. The whole community benefits with the protection of public health. There is a mix of community public good and identifiable parts of the community benefiting through reducing health risks.</p> <p><b>Commercial Recycling</b> A service provided to individual businesses by request.</p>	<p>The benefit of most operating costs is expected to occur in the year the funding is sourced.</p>	<p>This activity is only required due to the act of creating waste. Those who create the waste are individuals and business.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>The actions of individuals or groups (largely business) create the need to have this activity. Kerb-side refuse collection provides a high level of service that all residents on the route have access to. Targeted rates appropriately recognise this benefit. The whole community benefits from a clean environment. Cleaning of public places can be appropriately funded from general rates. The fees and charges at landfills and transfer stations (where Council provides the services), and part of the rate for refuse collection only partially funds the cost of disposal. Higher fees and charges encourage those who create the waste recognise the cost of their actions and encourage waste reduction.</p>	<p><b>Cleaning of Defined Public Spaces (FS-064)</b> <b>ALL (100%)</b> General rates <b>UNLIKELY</b> All other funding sources.</p> <p><b>Domestic Solid Waste Collections (FS-065)</b> <b>ALL (100%)</b> Targeted rates <b>UNLIKELY</b> All other funding sources.</p> <p><b>Commercial Recycling (Included in FS-065)</b> <b>ALL (100%)</b> Targeted rates <b>UNLIKELY</b> All other funding sources.</p> <p><b>Rural Transfer Stations (FS-066)</b> <b>MODERATE (40% - 60%)</b> General rates <b>MINIMAL (0% - 20%)</b> Targeted rates <b>LOW (20% - 40%)</b> Fees and charges</p>

Activity: Waste management

	<p><b>Operation of rural transfer stations:</b> The whole community benefits from a cleaner environment. The local townships are major beneficiaries as their solid waste makes up the major proportion of the waste going to these transfer stations.</p> <p><b>Operation of the Waiapu landfill:</b> The whole community benefits from a clean environment. The district benefits by not receiving solid waste from the East Coast and therefore not having to pay additional out of district cartage fees and landfill charges. The East Coast townships are major beneficiaries as their solid waste makes up the major proportion of the waste being landfilled. The district benefits in the event of a civil defence emergency with a consented landfill in the region if road access to State Highway 2 to Napier and/or Opotiki is cut off.</p>				<p>There is also a small benefit to the whole community of this activity with waste not dumped elsewhere</p>	<p><b>UNLIKELY</b> All other funding sources. <b>Waiapu Landfill (FS-067)</b> <b>MOST (80% - 100%)</b> General Rates <b>MINIMAL (0% - 20%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources <b>Solid Waste Legacy Debt and Aftercare Provisions (FS-068)</b> <b>ALL (100%)</b> General rates <b>UNLIKELY</b> All other funding sources.</p>
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Activity: Waste minimisation						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> <li>We take sustainability seriously.</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Resilient communities</li> <li>A vibrant city centre and townships.</li> </ul>	<p>The whole community benefits from action in this area to minimise the negative impacts of waste.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users</li> <li>Partly to the district as a whole</li> </ul>	<p>The benefit of most operating costs is expected to occur in the year the funding is sourced.</p>	<p>This activity is only required due to the act of creating waste.</p> <p>Those who create the waste are individuals and business.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>The actions of individuals or groups (largely business) create the need to have this activity.</p> <p>There is also a small benefit to the whole community of this activity.</p>	<p><b>Waste Minimisation (FS-069)</b></p> <p><b>MOST (80% - 100%)</b></p> <p>Grants and subsidies</p> <p><b>MINIMAL (0% - 20%)</b></p> <p>General rates</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>

## Group Activity: Wastewater

Activity: Wastewater						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> <li>A vibrant city centre and townships</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Resilient communities</li> <li>We take sustainability seriously.</li> </ul> <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging.</p> <p>We have increased the resilience of our infrastructure, economy and our communities.</p> <p>Everyone has access to affordable and safe essential services (water, wastewater and energy).</p> <p>We are future focussed and plan and care about the future of the region and how to enhance its natural and built environment for future generations.</p>	<p>The collection, treatment, and disposal of wastewater are primarily a private benefit for people whose properties are connected to the schemes.</p> <p>The entire community benefits by improving and maintaining water quality and safety, protecting waterbodies and coastal waters that have important ecosystem, recreational and cultural values and moving toward more efficient and sustainable use of freshwater.</p> <p>This community benefit is at the forefront of government policy changes and important to the community.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>To individual properties</li> <li>The whole community</li> </ul>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.</p> <p>This is managed through reserve funds.</p>	<p>A small number of heavy commercial producers have an adverse impact greater than most users.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>In most cases it is not practicable to measure the quantity of each individual's contribution to the wastewater system.</p> <p>In the case of heavy commercial users of the waste system it is practical to measure the volume and quality of waste and charge appropriately for this</p> <p>Those who (either directly or indirectly) connected targeted rate per pan is an efficient and simple way that approximates benefit of access and use of the services.</p> <p>The community benefit as identified in Tairāwhiti 2050 and in the consideration of the benefits of the wastewater activity is recognised in the general rates.</p>	<p><b>Wastewater (FS-056)</b></p> <p><b>MOST (80% - 100%)</b></p> <p>Targeted rate</p> <p><b>MINIMAL (0% - 20%)</b></p> <p>General rates</p> <p>Fees and charges</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>

**Group Activity: Water Supply**

Activity: Water supply						
Community Outcomes 101 (3)(a)(i)	Distribution of Benefits 101 (3)(a)(ii)	Period of Benefit 101 (3)(a)(iii)	Whose Act Creates a Need? 101 (3)(a)(iv)	Separate Funding 101 (3)(a)(v)	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> <li>• A vibrant city centre and townships and is associated with Council's outcomes:</li> <li>• Resilient communities</li> <li>• We take sustainability seriously.</li> </ul> <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging.</p> <p>We have increased the resilience of our infrastructure, economy and our communities.</p> <p>Everyone has access to affordable and safe essential services (water, wastewater and energy).</p> <p>We are future focussed and plan and care about the future of the region and how to enhance its natural and built environment for future generations.</p>	<p>The communities that are reticulated with a public water supply are beneficiaries.</p> <p>The entire community benefits by providing water for firefighting, improving and maintaining water quality and safety, protecting waterbodies and coastal waters that have important ecosystem, recreational and cultural values, and moving toward more efficient and sustainable use of freshwater.</p> <p>This community benefit is at the forefront of government policy changes and important to the community.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• To individual properties</li> <li>• The whole community</li> </ul>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.</p> <p>This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have a minor impact.</p> <p>Provision for individual meters can be used for high volume users.</p> <p>Those who use firefighting create the need for firefighting capability within the network. We all benefit from the availability of this network as we do not know where the next fire will be.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>Those who (either directly or indirectly) benefit should pay.</p> <p>There are some water users where charging based on actual quantities is practical due to the location, size or the use of the property. Their share of costs is recovered by way of targeted water meter rates.</p> <p>The cost of the water supply and network is equalised across all non-metered connections within the region.</p> <p>The community benefit as identified in Tairāwhiti 2050 and in the consideration of the benefits of the water supply activity is recognised in the general rates.</p>	<p><b>Water Supply (FS-055)</b></p> <p><b>MOST (80% - 100%)</b></p> <p>Targeted rate</p> <p><b>MINIMAL (0% -20%)</b></p> <p>General rate</p> <p>Fees and charges</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>

## Group Activity: Urban Stormwater

Activity: Urban stormwater						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> <li>A vibrant city centre and townships</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Resilient communities</li> <li>We take sustainability seriously.</li> </ul> <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging.</p> <p>We have increased the resilience of our infrastructure, economy and our communities.</p> <p>Everyone has access to affordable and safe essential services (water, wastewater and energy).</p> <p>We are future focussed and plan and care about the future of the region and how to enhance its natural and built environment for future generations.</p>	<p>The collection, treatment and disposal of stormwater are primarily a community benefit in serviced communities.</p> <p>The entire community benefits by having an accessible roading network, improving and maintaining water quality and safety, protecting waterbodies and coastal waters that have important ecosystem, recreational and cultural values and moving toward more efficient and sustainable use of freshwater.</p> <p>Some individual properties or groups of properties benefit from not being flooded.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>To individual properties</li> <li>The whole community</li> </ul>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years.</p> <p>This is managed through reserve funds.</p>	<p>The actions of individuals in increasing hard surfaces on properties increases stormwater volumes.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>There is no practical way to charge individuals or groups for any direct benefit.</p> <p>Urban stormwater networks are funded from a mix of general and targeted rates reflecting the benefit to property owners in an urban area and the wider community benefit of stormwater managed on the road corridor and the environmental, economic, social and cultural wellbeing benefits of managing stormwater.</p>	<p><b>Urban Stormwater (FS-057)</b></p> <p><b>MOST (80% - 100%)</b></p> <p>Targeted rate</p> <p><b>MINIMAL (0% -20%)</b></p> <p>General rates</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>

**Group Activity: Liveable Communities**

Activity: Catchments and diversity						
Community Outcomes 101 (3)(a)(i)	Distribution of Benefits 101 (3)(a)(ii)	Period of Benefit 101 (3)(a)(iii)	Whose Act Creates a Need? 101 (3)(a)(iv)	Separate Funding 101 (3)(a)(v)	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> <li>We take sustainability seriously and is associated with Council's outcome:</li> <li>We celebrate our heritage.</li> </ul> <p>We recognise the intrinsic value of ecosystems and biodiversity. There is no further loss of significant natural, cultural or historic heritage. We have restored key areas of the environment as Tairāwhiti grows. We all practice active guardianship.</p>	<p>The whole community benefits from the quality of information about natural resources including for recreational use, commercial use, and avoiding hazards. Individuals especially benefit, both urban and rural landholders. Because animal pests are mobile, and move freely across property boundaries, benefits are not confined to particular properties. Animal, Plant and Aquatic pests: Animal pests are largely land-based and the major beneficiaries are rural land occupiers. Council adopted the 10-year Regional Pest Management Plan in October 2017.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Rates are the largest funding source for this activity recognising the predominant community benefit. These will be split between general and targeted rates to recognise that some services have a benefit or contribute to an outcome for the whole region and some services provide a greater or lesser based on location. Fees and charges are collected for some items that have a direct benefit to individuals or groups of individuals. The Nursery operates on a commercial basis and is budgeted to collect fees and charges to make a surplus.</p>	<p><b>Animal, Plant and Aquatic Pest Management (FS-023)</b> <b>HIGH (60% - 80%)</b> General rates <b>LOW (20% - 40%)</b> Targeted rates <b>MINIMAL (0%-20%)</b> Fees and charges Grants and subsidies <b>UNLIKELY</b> All other funding sources.</p> <p><b>Soil Conservation (FS-024)</b> <b>MOST (80% - 100%)</b> Targeted rates <b>MINIMAL (0%-20%)</b> Fees and charges Grants and subsidies <b>UNLIKELY</b> All other funding sources.</p> <p><b>Soil Conservation – Nursery and Reserve Management (FS-026, included with FS-024)</b> <b>All (100%)</b> Fees and Charges <b>UNLIKELY</b> All other funding sources.</p>

Activity: Cultural activities						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> <li>We celebrate our heritage and is associated with Council's outcome:</li> <li>A vibrant city centre and townships.</li> </ul> <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging.</p>	<p><b>Theatres:</b> There is specific benefit to those who use the facility and attend activities. The business community benefits from spending by visitors attending facilities and events. The whole community benefits from having access to facilities that enable community gatherings and allow the public to experience performing and visual arts.</p> <p><b>Museum:</b> The whole community (including particular sector groups e.g. schools) benefit from the Museum through the provision of cultural services, information and education, exhibition and management of the museum collection.</p> <p><b>Library:</b> The whole community benefits (urban and rural) from the activity through access to materials and services which the Library provides. The main beneficiaries of the Library are individuals through the provision of recreation and educational resources. Non-residents also benefit through access to the Library services. The central business district benefits indirectly from having increased traffic in the city centre.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of most individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Theatres provide a benefit directly to the users which can be collected, however a wider benefit to a vibrant community is also recognised by rating across the district with regard to distance from the venues. Museums and Libraries provide some individual benefit are largely for educational benefits of the community and are important for understanding and celebrating our heritage. These all contribute to Tairāwhiti being a great place to live. Council consider it appropriate to fund the rates contribution to these activities using a general rate.</p>	<p><b>Theatres (FS-016)</b> <b>HIGH (60% - 80%)</b> Targeted rates <b>LOW (20%-40%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources.</p> <p><b>Museum (FS-017)</b> <b>MOST (80 - 100%)</b> General rates <b>MINIMAL (0%-20%)</b> Fees and charges Grants and subsidies <b>UNLIKELY</b> All other funding sources.</p> <p><b>Libraries (FS-008)</b> <b>MOST (80% - 100%)</b> General rates <b>MINIMAL (0%-20%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources.</p>

Activity: Recreation and amenity						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> <li>A vibrant city centre and townships and is associated with Council's outcome:</li> <li>We celebrate our heritage.</li> </ul> <p>Tairāwhiti is a great place to live, work and play and our communities have a sense of belonging.</p>	<p><b>Leased Properties:</b> Benefits flow to the whole community and to the individual groups who lease Council Land Areas to undertake their activity (e.g., sporting, recreational and other community organisations). There is a benefit gain for visitors and individuals who use and enjoy the other community facilities provided within this activity.</p> <p><b>Community Buildings:</b> Benefits flow to the whole of the community, through the provision of heritage, leisure, arts and cultural activities, that each act on to educate and enliven our communities. These buildings make the district an interesting destination for visitors or attract new residents to a district that is a great place to live, work and play. The benefits are expected to accrue primarily to the district as a whole.</p> <p><b>Cemeteries:</b> Individual users, particularly families of the deceased. The community as a whole in the availability of well-maintained open space and as a repository of genealogical and other human interest or heritage information.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced. Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>There is no practical way to collect revenues from some individual benefit across this activity. Local residents enjoy the benefits of landscape amenity in their locality. Council may use the financial contributions reserve funds for some operating expenses, generally of a project nature. Some rents are received.</p>	<p><b>Aquatic and Recreation Facility (Olympic Pool) (FS-007)</b> <b>HIGH (60% - 80%)</b> Targeted rates <b>LOW (20%-40%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources.</p> <p><b>Leased Property (FS-009)</b> <b>ALL (100%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources.</p> <p><b>Cemeteries (FS-011)</b> <b>MODERATE (40% - 60%)</b> General rates Fees and charges <b>UNLIKELY</b> All other funding sources.</p>

Activity: Recreation and amenity

	<p><b>Conveniences:</b> Individuals, visitors, businesses and the wider community all benefit from the provision of accessible, safe and sanitary conveniences.</p> <p><b>Parks and Reserves:</b> There is a public/whole of community benefit through the provision of formal and informal recreational opportunities that enhance and support community health and well-being. There is a private/individual benefit to the community and sporting groups who use Council recreational facilities. There is a benefit gain for event organisers and sections of the business community from the commercial spend of participants associated with particular events.</p>					<p><b>Conveniences (FS-012)</b> <b>MOST (80% - 100%)</b> General rates <b>MINIMAL (0%-20%)</b> Fees and charges</p> <p><b>UNLIKELY</b> All other funding sources.</p> <p><b>Parks and Reserves (FS-013)</b> <b>MOST (80% - 100%)</b> Targeted rates <b>MINIMAL (0%-20%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources.</p>
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**Group Activity: Regional Leadership and Support Services**

Activity: Emergency management						
Community Outcomes 101 (3)(a)(i)	Distribution of Benefits 101 (3)(a)(ii)	Period of Benefit 101 (3)(a)(iii)	Whose Act Creates a Need? 101 (3)(a)(iv)	Separate Funding 101 (3)(a)(v)	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> <li>Resilient communities and is associated with Council's outcome:</li> <li>Connected and safe communities.</li> </ul>	<p>Civil defence activities are provided for the benefit of all the people in the district as anyone can be affected by an emergency event. Civil defence emergency may be initiated in response to threats to life or property. The benefits are expected to accrue primarily to the district as a whole.</p>	<p>The benefit of operating costs is in having plans in the event of an emergency at some time in the future. The annual operating costs ensure there are up to date plans and staff and volunteers are trained. Costs are incurred in the year the funding is sourced. Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of natural forces, individuals and groups can have a significant impact in this activity. Everyone living in a hazardous environment creates a need.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>In the event of an activation Council may be entitled to subsidies for some civil defence costs such as welfare. The planning for an emergency benefits the whole community and is fully rate funded.</p>	<p><b>Civil Defence (FS-038)</b> <b>MOST (80% - 100%)</b> General rates <b>MINIMAL (0% - 20%)</b> Grants and Subsidies <b>UNLIKELY</b> All other funding sources.</p>

Activity: Governance and democracy						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> <li>A driven and enabled Tairāwhiti and is associated with all other Council outcomes.</li> </ul> <p>Council works with Iwi, Hapu, and stakeholders to promote and enable change in the region. Together, we show leadership, advocacy and collaboration and provide certainty about where to invest in Tairāwhiti.</p>	The activity supports the decision-making function of Council and therefore benefits the community as a whole.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of individuals or groups have a minor impact on this activity.	Council considers that there is little benefit of separately funding this activity.	The benefits of this activity are available to the whole community; the majority of electors are ratepayers.	<p><b>Governance (FS-045)</b></p> <p><b>MOST (80% - 100%)</b></p> <p>General rates</p> <p><b>MINIMAL (0% - 20%)</b></p> <p>Fees and charges</p> <p>Grants and Subsidies</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>

Activity: Science						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> <li>We celebrate our heritage and is associated with Council's outcome:</li> <li>We take sustainability seriously.</li> </ul>	The whole community – water, riverbeds and coastal areas are community resources that are highly valued. Users may be in conflict with each other. The need for this activity is created by users (consumptive or otherwise) placing pressure on water resources and the community demanding information and initiatives that will address their concerns.	The benefit of operating costs is expected to arise in the year the funding is sourced.	The actions of individuals and groups drive the costs in this activity.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	Rates are the largest funding source for this activity recognising the predominant community benefit. Fees and charges are collected for some items that have a direct benefit to individuals or groups of individuals.	<p><b>Water Conservation (FS-027)</b></p> <p><b>MOST (80% - 100%)</b></p> <p>Targeted rates</p> <p><b>MINIMAL (0% - 20%)</b></p> <p>Fees and charges</p> <p>Grants and Subsidies</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>

Activity: Strategic policy and planning						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> <li>A driven and enabled community and is associated with all other Council outcomes.</li> </ul>	<p><b>Strategic Planning:</b> The whole community benefits from the activity.</p> <p><b>Performance:</b> The whole community benefits from the activity</p> <p><b>Maori Responsiveness:</b> The whole community benefits from the activity</p> <p><b>Private Plan Changes:</b> The private plan change requests to date have had benefits that accrue to clearly-defined private interests. Proposals may be promoted by public interest groups but are more likely to be by someone seeking specific benefits from resource use.</p> <p><b>Economic Development:</b> The business community primarily benefits from economic development of a region (e.g. increased income and people are likely to increase business wealth). Sectors within the business community benefit through targeted economic development programmes. The not-for-profit sector benefits through indirect effects of economic development such as the promotion of events in the social and sporting sector.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individual and groups can have a significant impact in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>This activity supports all activities of Council and has wide community benefits.</p> <p>The economic development services provide a wide range of inputs into an improved economy, leading to more jobs.</p> <p>Mostly funding tools that recognise these wider benefits are preferred while some attention should be given to benefits of groups.</p>	<p><b>Strategic Planning, Performance, Customer Engagement &amp; Maori Responsiveness (FS-019)</b></p> <p><b>MOST (80%-100%)</b></p> <p>General rates</p> <p><b>MINIMUM</b> (0% - 20%)</p> <p>Grants and Subsidies</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p> <p><b>Strategic Planning and Customer Engagement: Private Plan Changes (FS-037)</b></p> <p><b>ALL (100%)</b></p> <p>Fees and charges</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>

Activity: Strategic policy and planning						
	The whole community benefits through the spin-off impacts of economic development and through having a coordinated approach to economic development, e.g. if the district develops well then everyone benefits.					<b>Economic Development and Tourism (FS-020)</b> <b>MODERATE (40%-60%)</b> General rates Targeted rates <b>UNLIKELY</b> All other funding sources.

Activity: Support services						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
This activity primarily contributes to Council's outcome of: <ul style="list-style-type: none"> <li>A driven and enabled Tairāwhiti</li> </ul> Council works with Iwi, Hapu, and stakeholders to promote and enable change in the region. Together, we show leadership, advocacy and collaboration and provide certainty about where to invest in Tairāwhiti.	The activity supports the decision-making function of the Council and therefore benefits the community as a whole.	The benefit of most operating costs is expected to arise in the year the funding is sourced.	The actions of individuals or groups have a minor impact on this activity. The Council in complying with the statutory provisions of the LGA 2002 creates a need through its coercive powers of rates extraction. The whole of the community creates a need through requiring transparency and accountability of funding.	Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.	The benefits of this activity are available to the whole community.	<b>Treasury (FS-046)</b> <b>ALL (100%)</b> General rates <b>UNLIKELY</b> All other funding sources. <b>Civic and Corporate Expenses of the District (FS-049)</b> <b>ALL (100%)</b> General rates <b>UNLIKELY</b> All other funding sources.

**Group Activity: Commercial Operations**

Activity: Commercial operations						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
101 (3)(a)(i)	101 (3)(a)(ii)	101 (3)(a)(iii)	101 (3)(a)(iv)	101 (3)(a)(v)		
<p>This activity primarily contributes to Council's outcome of:</p> <ul style="list-style-type: none"> <li>A diverse economy and is associated with Council's outcome:</li> <li>We take sustainability seriously.</li> </ul>	<p>Direct benefits accrue to customers and forestry joint venture partners. Direct benefits from Forestry accrue to the city ratepayers through the protection of the water supply catchment. Direct benefits from the commercial property activity accrue to purchasers of the land for development. Direct benefits accrue to the lessees of commercial property. Ratepayers benefit from increased utilisation of Council assets.</p> <p>There are indirect benefits to the district through the degree that regional capital investment enhances the local economy. Indirect beneficiaries of commercial operations are ratepayers throughout the district who benefit through reduced rates as a result of the internal dividends paid by these activities.</p> <p>The district as a whole benefits from forestry through the stabilisation of erosion prone land that supports critical infrastructure like roads and the town water supply line.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>The benefits of this activity are available to the whole community.</p>	<p><b>Gisborne Airport and miscellaneous semi-commercial properties (FS-005)</b> <b>HIGH (60% - 80%)</b> Fees and charges <b>MINIMAL (0% - 20%)</b> General rates <b>UNLIKELY</b> All other funding sources.</p> <p><b>Community Housing (FS-014)</b> <b>ALL (100%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources.</p> <p><b>Staff Housing (FS-015)</b> <b>ALL (100%)</b> Fees and charges <b>UNLIKELY</b> All other funding sources.</p> <p><b>Dividends to Council from</b></p>

Activity: Commercial operations

	<p>Community Housing provides basic quality housing for residents over 55 years of age who have difficulty providing it themselves. Tenants are the primary beneficiaries. The community as a whole benefits from having appropriate affordable housing available to senior residents.</p> <p>Staff Housing provides accommodation where rental properties are unavailable and house purchase is not practicable. It also utilises legacy accommodation attached to Council offices, cemeteries etc. which cannot be readily disposed of. Tenants are the primary beneficiaries. The related Council activity benefits from having appropriate housing available to staff.</p>					<p><b>Commercial Operations and CCO's (FS-006)</b></p> <p><b>ALL (100%)</b></p> <p>Investment Income</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>
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