



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Revenue and Financing Policy

Adopted: 15/02/2024

Review: 15/02/2027



Purpose of this Policy

The Revenue and Financing Policy is required under Section 102 of the Local Government Act 2002 (LGA) and the required contents are set out in section 103 of the LGA. The policy must be included in full in the LTP. Section 103(2) allows the following funding mechanisms to be used when funding operating and capital expenditure:

1. General Rates
2. Uniform Annual General Charge
3. Targeted Rates
4. Grants and Subsidies
5. Interest and Dividends from Investments
6. Fees and Charges
7. Borrowing
8. Proceeds from Assets Sales
9. Development or Financial Contributions
10. Lump Sum Contributions
11. Any other source

This policy summarises the funding sources to be used by Council and their intended use. Sources are identified for each Council activity, including those that may be used to fund operating and capital expenditure. The General Rate is set on a District Wide basis (with a CBD differential for the two main commercial retail zones), on the capital value of the rating unit. Council sets a Uniform Annual General Charge that is assessed on separately used or inhabited parts of a rating unit in the district.

Council must consider the following elements in deciding on appropriate funding mechanisms for each activity:

1. Community Outcomes – the community outcomes an activity will primarily contribute to.
2. Distributions of benefits – the distribution of benefits between the community as a whole, any identifiable parts of the community and individuals.
3. Timeframes of benefits – the period in and over which those benefits are expected to occur. For example, the benefits may occur on an ongoing basis, but may also benefit future generations.
4. Contributors to need for activity – the extent to which actions or inactions of particular individuals or groups contribute to the need to undertake the activity.
5. Costs and Benefits of distinct funding – the cost and benefits, including for transparency and accountability, of funding the activity distinctly from other activities.

The Council has also considered the overall impact of any allocation of liability on the community and has determined this doesn't require any modification to the activity-by-activity analysis.

Definitions of Council Services Funding Options

The Local Government Act 2002 requires Council to meet its funding needs from a defined list of sources. The Council determines which of these are appropriate for each activity, considering equity between generations, fairness and affordability. Council seeks to maintain an affordable and predictable level of rates in the future.

District Wide Rates

General rates

General rates are rates applied to the entire rating base of the district. This is a variable charge based on a property’s capital value. The variable component of general rates is set as cents per dollar of capital value, which is assessed according to two differentials based on location:

- 1. Central Business District in Waipawa/Waipukurau (all rating units excluding domestic residential)
- 2. All other Rating Units

Therefore, the level of rates paid by a landowner will depend on the capital value and the differential category within which the property falls, as well as any targeted rates (see below).

Differential Groups

The variable capital value component of the Council’s general rate is set using 2 differentials. The rationale for this approach is that the dollar per capital value set for each differential category is a fair and equitable amount related to the benefits that properties within that differential group receives, and not subject to fluctuations in property values that may occur between the different categories over time. The level of rates a landowner pays will vary, based on both capital value and the differential category within which the property falls. As property values change, the Council will alter the group differentials (the amount of rates charged per dollar of value) to ensure each differential group continues to pay the same overall proportion of the general rates. The proportion of general rates set for each differential category is outlined in the following table:

General Rate Differential Zone	2023/24 Differential	2024/25 Differential	2025/26 and onwards Differential
CBD (excl Domestic Residential)	1.3	1.4	1.5
Non-CBD	1.0	1.0	1.0

Uniform Annual General Charge (UAGC)

A UAGC is a flat charge levied from every separately used or inhabited part of a rating unit (SUIP) in the district. Definition – for the purposes of the Uniform Annual General Charge and the targeted rates below, a separately used or inhabited part of a rating unit is defined as –

'A separately used or inhabited part of a rating unit includes any portion inhabited or used by [the owner/a person other than the owner], and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.'

This definition includes separately used parts, whether or not actually occupied at any time, which are used by the owner for occupation on an occasional or long term basis by someone other than the owner.

Examples of separately used or inhabited parts of a rating unit include:

1. For residential rating units, each self-contained household unit is considered a separately used or inhabited part. Each situation is assessed on its merits, but factors considered in determining whether an area is self-contained would include the provision of independent facilities such as cooking/kitchen or bathroom, and its own separate entrance.
2. Residential properties, where a separate area is used for the purpose of operating a business, such as a medical or dental practice. The business area is considered a separately used or inhabited part.

These examples are not considered inclusive of all situations

District Land Transport Rate

This rate is set for the purpose of funding the operation and maintenance of the land transport system and is based on the land value of all rateable land in the district.

Targeted Rates

Targeted rates are set to recover the costs of providing services such as wastewater, refuse collection, disposal and recycling charges, swimming pool inspections. A targeted rate is levied only from those SUIPs that receive the service. For example, a household connected to the Council's water network is charged a targeted rate for water supply, but household using tank water is not. The Council charges targeted rates in the form of uniform annual charges (flat rate) and demand-related charges.

Voluntary targeted rates

The voluntary targeted rate is used in cases where the Council provides financial assistance to property owners for particular capital projects, such as upgrades to private water supplies. The voluntary targeted rate is levied only from properties that receive Council assistance and is used to recover the borrowed amount and any administration costs.

Fees and charges

The Council levies over 1,000 fees and charges. Fees and charges are usually either full or part charges to recover the costs of delivering the services. Fees and charges are usually only set for services that a user has discretion to use or not, and where it is efficient for the Council to collect the fees and charges.

Interest and dividends from investments

The Council receives interest and dividends from short-term cash management and from its investments.

Borrowing

Borrowing is defined as taking on debt. The Council usually only borrows to fund long-lived capital assets.

Proceeds from asset sales

Proceeds from asset sales are the net sum received when physical assets are sold. Proceeds from the disposition of assets are used firstly in the retirement of related debt and then are credited to the Capital Projects Fund.

Development contributions

These are levies paid in accordance with the Council's Development Contributions Policy and the LGA 2002 to recover Council expenditure on reserves, community infrastructure and network infrastructure to meet increased demand resulting from new development. These levies can be used for capital expenditure for the purpose they were charged for, and may not be used to cover operational costs.

Financial contributions under the Resource Management Act

Financial contributions apply to holders of resource consents in the form of sums payable, or land transferred to the Council. These contributions are used to mitigate, avoid or remedy any adverse effects arising from subdivision or development.

Grants and subsidies

These are payments from external agencies and are usually for an agreed, specified purpose. For the Council, the major source of grants and subsidies is the New Zealand Transport Agency -Waka Kotahi (NZTA), which offers subsidies for road maintenance, renewals and improvements.

Funding of Operating Expenditure

The following table shows which mechanisms may be used to fund operating expenditure for Council's activities:

	General Rates	Uniform Annual General Charge	Targeted Rates	Grants and Subsidies	Fees and Charges
Community Leadership Group					
Leadership, Governance and Consultation	✓	✓		✓	
Economic and Social Development	✓	✓	✓		
Planning and Regulatory Group					

District Planning	✓				
Land Use and Subdivision Consents	✓				✓
Building Control	✓				✓
Public Health	✓				✓
Animal Control	✓				✓
Compliance & Monitoring	✓		✓		✓
Land Transport Group					
Land Transport	✓		✓	✓	✓
Solid Waste Group					
Solid Waste	✓	✓	✓		✓
Water Supplies Group					
Water Supplies			✓		✓
Wastewater Group					
Wastewater			✓		✓
Stormwater Group					
Stormwater			✓		
Places and Open Spaces Group					
Parks, Reserves and Swimming Pools	✓	✓			✓
Public Toilets	✓				
Retirement Housing					✓
Libraries	✓	✓			✓
Theatres, Halls and Museums	✓				✓
Cemeteries	✓				✓
Community Facilities	✓				✓
Overheads	✓	✓	✓	✓	

Council funds operating expenditure from the following sources:

- General Rates;
- Uniform Annual General Charge;
- Targeted Rates;
- Fees and Charges;
- Interest and Dividends from Investments;
- Grants and Subsidies; and
- Other Operating Revenue.

Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates or, fees and charges. In practice the Council will usually budget for an

overall operating surplus while the operating expenditure of some individual functions may be under/over funded in any particular year, depending on requirements specific to that function.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. Council will only budget for such an operating surplus if necessary to fund an operating deficit in the immediately preceding or following years, repay debt or meet a future specified funding requirement. Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.

Council does not fund operating expenditure by Borrowing unless in exceptional circumstances.

Interest and Dividends are used to offset the general rate requirement except where the interest is credited to a special fund or reserve fund.

Proceeds from the Sale of Land and Buildings are transferred to the Capital Projects fund for funding future capital projects by resolution of Council. Proceeds from Sale of other Assets are used to fund the renewals of assets within the activity.

Funding Of Capital Expenditure

The following table shows which mechanisms may be used to fund capital expenditure for Council's activities:

	General Rates	Targeted Rates	Borrowings	Reserves	Funding assistance/ Fees and Charges	Development Contributions
Community Leadership Group						
Leadership, Governance and Consultation	No Capital Expenditure					
Economic and Social Development					✓	
Planning and Regulatory Group						
District Planning			✓			
Land Use and Subdivision Consents					✓	
Building Control					✓	
Public Health					✓	
Animal Control					✓	
Compliance & Monitoring	✓				✓	

Land Transport Group		✓	✓	✓	✓	✓
Solid Waste Group	✓		✓	✓		✓
Water Supplies Group		✓	✓	✓	✓	✓
Wastewater Group		✓	✓	✓	✓	✓
Stormwater Group	✓	✓	✓	✓	✓	✓
Places and Open Spaces Group						
Parks, Reserves and Swimming Pools	✓		✓	✓	✓	
Public Toilets	✓		✓	✓	✓	
Retirement Housing				✓	✓	
Libraries			✓	✓	✓	
Theatres, Halls and Museums	✓		✓	✓	✓	
Cemeteries	✓		✓	✓	✓	
Community Facilities	✓		✓	✓	✓	
Overheads	✓	✓	✓	✓		

Council funds capital expenditure from revenue, reserves or borrowing. The repayment of borrowing is spread over several years. This enables Council to best match charges placed on the community against the period of benefits from capital expenditure. Borrowing is managed within the framework specified in the Treasury Policy. While seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, Council seeks to match the term of borrowings with the average life of assets, up to a maximum of 35 years, when practical.

Capital renewals are programmed and funded as physically needed. Council also continuously reviews with a view to improve the inputs used in both the physical and financial planning of works to ensure the long term needs are catered for.

Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

- Council reserves;
- Development contributions;
- Subsidies; and
- Proceeds from asset sales.

Community Leadership Group

Leadership, Governance and Consultation

Description

The Leadership, Governance and Consultation activity includes the elected Council.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Proud District
2. Connected Citizens

Distributions of benefits

Benefits from the Leadership, Governance and Consultation activity are for the community generally. Council is the vehicle for making decisions affecting the district.

Timeframes of benefits

Ongoing.

Contributors to need for activity

Living in a democratic society contributes to the need for this activity.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding for this activity. Public funding is through the capital value based general rate.

Social Development

Description

This activity supports the implementation of the community wellbeing strategy and supports other key community funding and planning initiatives.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Environmentally Responsible
2. Prosperous District
3. Strong Communities
4. Connected Citizens
5. Smart Growth

Distributions of benefits

Social benefits accrue from the wider community. Some benefits may accrue to businesses or individuals using these services, but it is difficult and illogical to recover these benefits.

Timeframes of benefits

Ongoing.

Contributors to need for activity

All groups contribute to the need for this activity.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding for this activity. Public funding is collected through the Uniform Annual General Charge.

Economic Development

Description

This activity supports the implementation of the Economic Development Action Plan and seeks to progress the economic wellbeing of Central Hawke's Bay.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Environmentally Responsible
2. Prosperous District
3. Strong Communities
4. Smart Growth

Distributions of benefits

Benefits from economic development accrue largely to the community. This is due to the ongoing economic benefits of visitor spending, creation of employment and investment in the potential of the district.

Timeframes of benefits

Ongoing.

Contributors to need for activity

All groups contribute to the need for this activity.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding for this activity. Public funding is collected through the Uniform Annual General Charge.

Planning and Regulatory Group

District Planning

Description

The Council is required by the Resource Management Act 1991 to prepare, implement and administer a District Plan that meets the needs of the community. The District Planning Activity, is part of Council's statutory obligations under the Resource Management Act 1991 and involves -

1. Providing advice on the District Plan
2. Providing Policy advice on planning and rules of the District Plan
3. Monitoring of the effectiveness and efficiency of the policies and rules in the District Plan

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Strong Communities
2. Prosperous District
3. Smart Growth
4. Environmentally Responsible

Distributions of benefits

The district planning services benefit the users of the District Plan through clear information available for development and land use.

The community benefits highly through protection of the environment, appropriate and sustainable development of land and property.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 100% public funding for this activity. Public funding is through the capital value based general rate.

Land Use and Subdivision Consents

Description

Land Use and Consenting Activity ensures that development occurs in a manner that complies with the District Plan, through processing resource consent applications and monitoring.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Durable Infrastructure
2. Smart Growth
3. Environmentally Responsible

Distributions of benefits

The district planning services mainly benefit the users of the resource and subdivision consent process through meeting legislative requirements.

The community benefits through protection of the environment, appropriate and sustainable development of land and property.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity. Generally, this is met through extra charges on these people.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 70-80% private funding for this activity, with the remainder coming from public funding. Public funding is through the capital value based general rate and private funding is collected through fees and charges.

Building Control

Description

Building Control is responsible for administering and enforcing the Building Act 2004 (and related legislation). This includes:

1. Processing applications for building consents
2. Enforcing the provisions of the Building Act 2004 and associated regulations

Once a consent has been obtained, Council monitors compliance through inspections and provides code compliance certificates confirming that new building work meets the provisions of the building code.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Proud District
2. Strong Communities
3. Smart Growth

Distributions of benefits

Benefits from building control accrue mainly to users of these services (ie people who build or alter buildings) through meeting legislative requirements and safe buildings. The community benefits through the enforcement of regulations that ensure safe, sanitary and accessible buildings in which people live, play and work.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity. In some cases (e.g. property purchase where consent standards are not met), it may be difficult to identify who should pay.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 70-85% private funding for this activity, with the remainder funded from public funding. Private funding is collected through various fees and charges. Public funding is through the capital value based general rate.

Environmental Health

Description

The Public Health Activity covers the regulatory functions relating to environmental health, liquor licensing, hazardous substances, and other environmental monitoring.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Prosperous District
2. Strong Communities

Distributions of benefits

Benefits from environmental health services accrue to both the community, individuals and organisations. Individuals and organisations benefit from assurances that their premises are of an acceptable standard to the consumer and meet other legislative requirements (e.g. liquor licensing).

The community benefits through the expectation that

1. standards of operation are being met and
2. assurances of a safe and healthy environment for residents and visitors.

Timeframes of benefits

Ongoing.

Contributors to need for activity

People who do not comply with legislative regulations may contribute to the need for this activity. Generally, this is met through extra charges on these people.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 27-36% private funding for this activity, with the remainder from public funding. Public funding is through the capital value based general rate and private funding is collected through fees and charges.

Animal Services

Description

This activity includes the implementation of requirements of Dog Control Act 1996 and related legislation and Council bylaws. Main objectives include education, response to complaints and management of registration systems for dogs and stock.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Proud District
2. Strong Communities

Distributions of benefits

Benefits from the animal control service accrue mainly to animal owners from the provision of a service that either confines or returns lost or stray animals. The community generally benefits through the enforcement of regulations against aggressive and straying animals.

Timeframes of benefits

Ongoing, but occur mainly in the short-term.

Contributors to need for activity

People who do not properly control their animals can be a significant contributor to this activity. In some cases, it can be difficult to identify who these people are.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 90-100% private funding for this activity, with the remainder from public funding. Private funding is collected through various fees and charges – including fines and impounding costs. Public funding is through the capital value based general rate.

Compliance and Monitoring

Description

Compliance and Monitoring primarily involves the monitoring of resource consent conditions, responding to noise complaints and bylaw breaches, and carrying out territorial authority responsibilities, as defined in legislation - including inspection of swimming pool fences, earthquake prone buildings, and processing of Land Information Memoranda (LIMS), Compliance Schedules and Building Warrants of Fitness.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Smart Growth
2. Environmentally Responsible

Distributions of benefits

Benefits from this activity accrue across the wider community, through ensuring that activities are monitored and comply with legislative, policy and bylaw requirements, thereby minimising negative impacts on residents of, and visitors to, the District.

Timeframes of benefits

Ongoing. Benefits occur now through continuous monitoring of activities, response to complaints, and public education.

Contributors to need for activity

Where matters of non-compliance are brought to Council's notice, there is a requirement to ensure that compliance is achieved for the safety and wellbeing of the wider public.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed on 10-25% private funding for this activity, with the remainder from public funding. Public funding is collected through the capital value based general rate. Private funding is obtained through various fees and charges including fines.

The exception is swimming pool inspections which will be 100% privately funded and collected through a targeted pool inspection rate applicable only to those houses that contain a swimming pool covered by Clause F9, Schedule 1, of the Building Regulations 1992.

Land Transport Group

Land Transport

Description

The Local Government Act 2002 and Land Transport Management Act 2003 provide the framework under which Council operates a land transport network within the District. Council aims to achieve an integrated safe, responsive and sustainable land transport network.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Prosperous District
2. Connected Citizens
3. Durable Infrastructure

Distributions of benefits

There is a mix of public and private benefits with these activities. Public benefits include an attractive urban environment and streetscape, tidy roadsides, the ability to transport people, goods and services throughout the district, connections to other transport networks and location and property identification. Private benefits are for people and businesses using roads and footpaths to carry out their day to day business.

Timeframes of benefits

Ongoing.

Contributors to need for activity

All groups contribute to the need for this activity. In some cases, damage may be caused, and additional costs may be incurred through vandalism, accidents and activities beyond normal usage.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council has agreed to 100% public funding. Public funding is collected through the land value based targeted rate. New Zealand Transport Agency funding applies to subsidised roading projects.

A small amount of private funding is recovered through fees and charges.

Solid Waste Group

Solid Waste

Description

Central Hawke's Bay District Council provides the following services:

1. District landfill
2. Transfer stations
3. Recycling drop off centres
4. Kerbside refuse and recycling collections
5. Management of closed landfills.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Proud District
2. Prosperous District
3. Strong Communities
4. Connected Citizens
5. Smart Growth
6. Environmentally Responsible
7. Durable Infrastructure

Distributions of benefits

The benefits of the solid waste activity are largely public and private. Individuals benefit from not having to arrange their own systems of waste disposal. An environmentally sound landfill and rubbish collection maintains a sustainable and clean district.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits from having solid waste collection and disposal available. In some cases, illegal dumping and inappropriate disposal of hazardous wastes may result in extra costs to the Council.

Costs and Benefits of distinct funding

It is appropriate to recover the private benefit via a separate funding mechanism.

Recommended Funding

Council has agreed on 60-65% private funding for this activity through fees and charges and targeted rates for kerbside recycling and refuse collection. The remaining Public funding is collected through a combination of a Capital Value based General Rate, and Uniform Annual General Charge.

Water Supplies Group

Water Supplies

Description

The Central Hawke's Bay District Council owns and operates six water supply schemes.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Proud District
2. Prosperous District
3. Strong Communities
4. Connected Citizens
5. Smart Growth
6. Environmentally Responsible
7. Durable Infrastructure

Distributions of benefits

Provision of water supplies provides a number of public benefits, including access to potable water and availability of water for key public services and amenities (eg fire fighting, landscaping, swimming pools). There are significant direct benefits to ratepayers and consumers connected to a Council piped water scheme through access to water for drinking and water availability for industry.

Timeframes of benefits

Ongoing and long-term for future generations.

Contributors to need for activity

Those sections of the community where water services are available benefit widely from having a supply available. The wider community who use the facilities and business who depend on the water supply also benefit.

Costs and Benefits of distinct funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity through targeted rates and fees and charges. In addition, development and capital contributions are applied to new development to recognise capacity requirements.

Recommended Funding

Council has agreed on a 100% private funding for this activity. Private funding is derived from a targeted rate from those connected to water systems, volumetric water meter rates and fees and charges. In addition, development and capital contributions are applied to new development to recognise capacity requirements.

Wastewater (Sewerage) Group

Wastewater (Sewerage)

Description

Central Hawke's Bay District Council sewer systems comprise of six reticulated systems and associated treatment plants.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Proud District
2. Prosperous District
3. Strong Communities
4. Connected Citizens
5. Smart Growth
6. Environmentally Responsible
7. Durable Infrastructure

Distributions of benefits

Provision of a sewerage system provides a number of public benefits, including maintenance of public health standards, prevention of disease and maintenance of a healthy environment. All properties, both domestic and industrial, that are connected to Council's sewerage system receive a direct benefit which relates to the cost of providing the service. A sewerage system is a key infrastructural need for maintaining public health and growth of business opportunities.

Timeframes of benefits

Ongoing and long-term for future generations.

Contributors to need for activity

The community and the trade waste industry benefits widely from having a sewerage system available. Additional costs may be caused through overloading of systems, disposal of hazardous material and illegal connections.

Costs and Benefits of district funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity through targeted rates and charges. In addition development and capital contributions are applied to new development to recognise capacity requirements.

Recommended Funding

Council has agreed on a 100% private funding split for this activity. Private funding is collected through a targeted rate from those connected to wastewater systems and with fees and charges and levies raised through the Trade Waste Bylaw. The

targeted rates and trade waste fees and charges will collect both the wastewater operational costs and capital costs. In addition, development and capital contributions are applied to new development to recognise capacity requirements. Council has agreed to recover a capital contribution from the trade waste industry contributors for the Waipukurau, Waipawa and Otane wastewater investment programme based on volumetric charges as detailed in the fees and charges schedule B13-B20.

Council has agreed to work towards a 100% trade waste industry capital contribution over a four year period staging the increase as outlined in the table below.

The capital contribution is anticipated to recover the trade waste industry share of the upgrade works required as originally set out in the Long Term Plan 2021-2031 wastewater investment programme, and further updated in the 2024-2034 Long Term Plan.

Targeted Rate/Fees and Charges Differential	2023/24 Differential	2024/25 Differential	2025/26 and onwards Differential
Targeted Rate	1.0	1.0	1.0
Trade Waste Volumetric Operational Fees (B1-B6)	1.0	1.0	1.0
Trade Waste Volumetric Capital Contribution Fees (B13-B20)	0.85	1.0	1.0

Stormwater Group

Stormwater

Description

Central Hawke’s Bay District Council stormwater systems comprise of several systems. The systems generally consist of a primary piped network with some open channel and secondary flow paths.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Environmentally Responsible
2. Durable Infrastructure

Distributions of benefits

Provision of a stormwater system provides a number of public benefits, including decreased risk from flooding and encouraging residential development. Private benefits are particularly to property owners via stormwater disposal away from their properties.

Timeframes of benefits

Ongoing and long-term for future generations.

Contributors to need for activity

The community benefits widely from having a stormwater system available.

Costs and Benefits of distinct funding

Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity separately.

Recommended Funding

Council has agreed on 80-90% private funding for this activity. Private funding is collected through a targeted rate from those within stormwater catchment areas, with the remainder from public funding. Public funding is collected through the capital value based general rate. The funding of the Te Aute drainage scheme is based on a targeted rate on scheme members. In addition, development and capital contributions are applied to new development to recognise capacity requirements.

Maps of the Stormwater Catchment Areas:



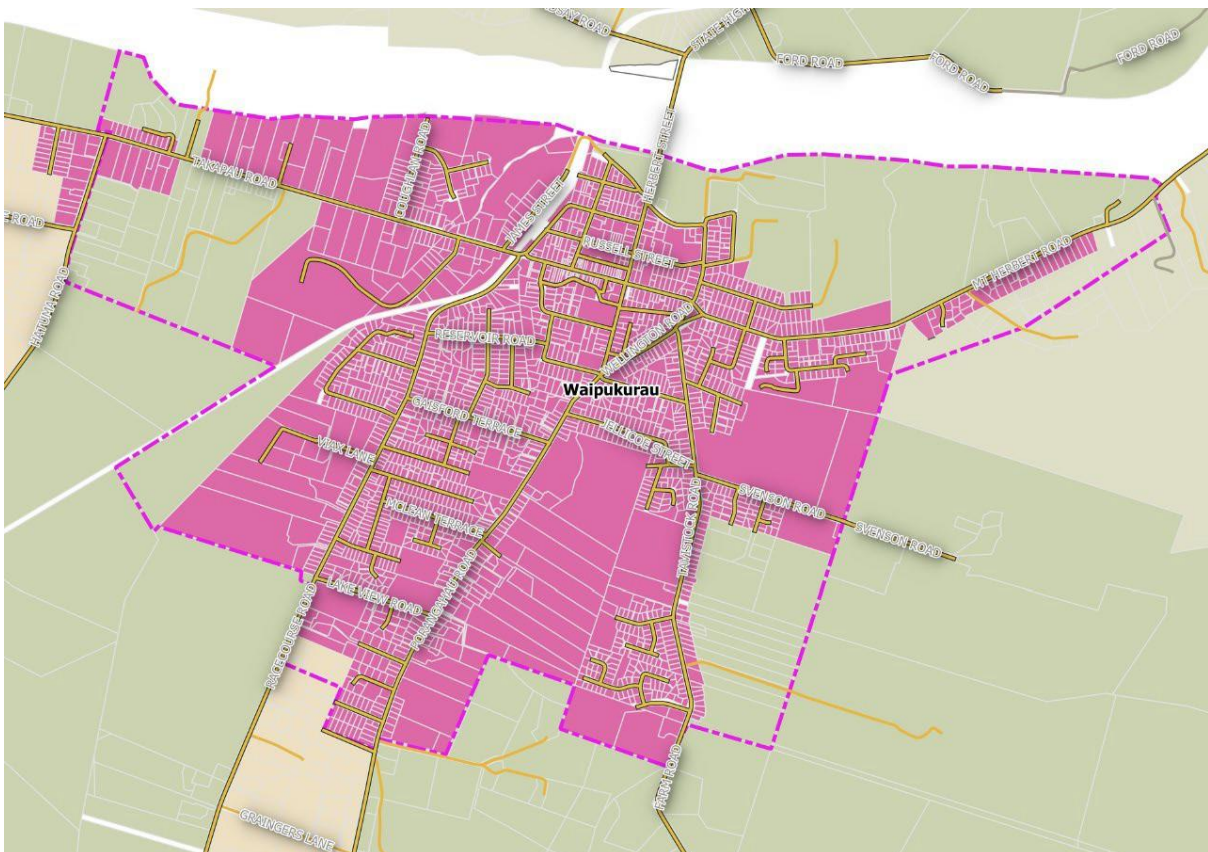
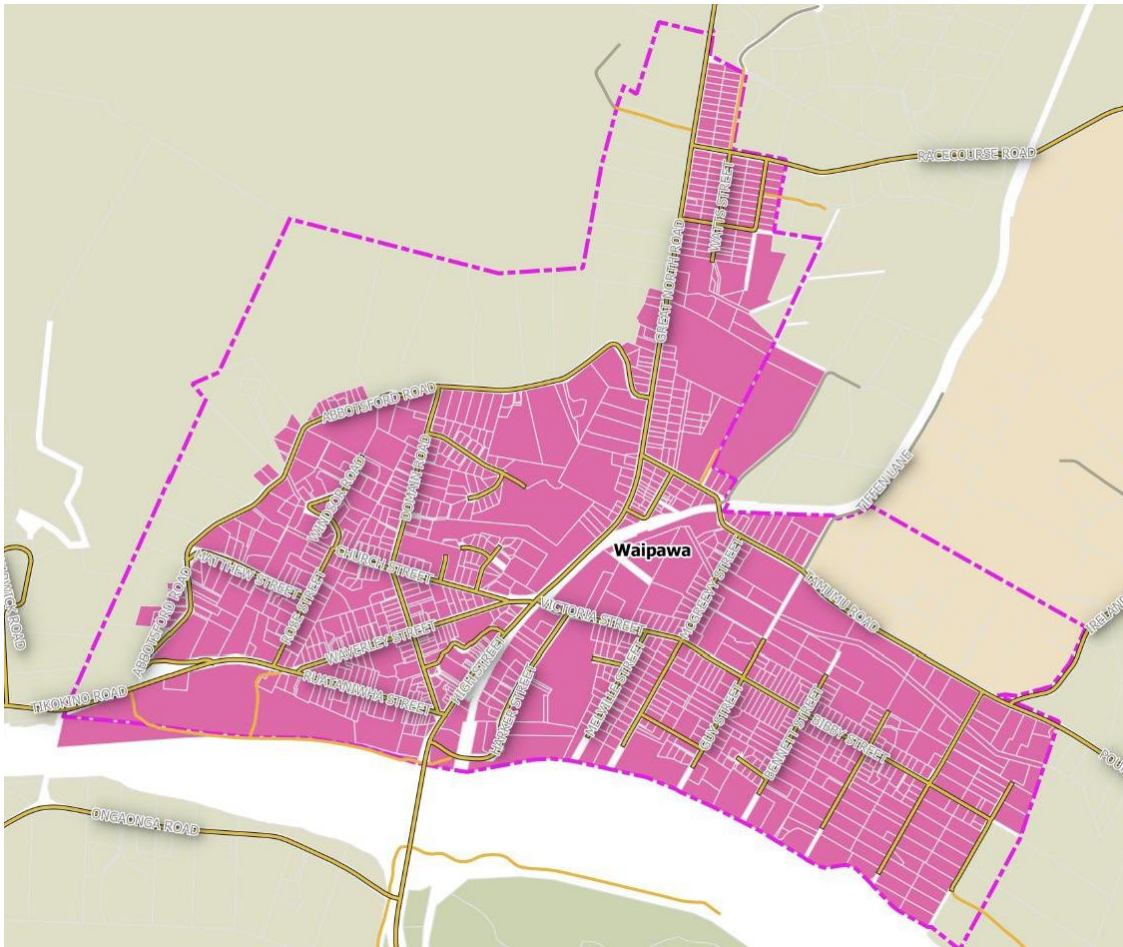


0 100 200 300 400 m

Otane Stormwater Boundaries



E ora ngātahi ana!



Differential Groups

The variable capital value component of the Council's stormwater targeted rate is set using 4 differentials. The rationale for this approach is that the dollar per capital value set for each differential category is a fair and equitable amount related to the benefits that properties within that differential group receives, and not subject to fluctuations in property values that may occur between the different categories over time. The level of rates a landowner pays will vary, based on both capital value and the differential category within which the property falls.

As property values change, the Council will alter the group differentials (the amount of rates charged per dollar of value) to ensure each differential group continues to pay the same overall proportion of the stormwater targeted rates. The proportion of stormwater targeted rates set for each differential category is outlined in the following table:

Stormwater Zone	2023/24 Differential	2024/25 Differential	2025/26 and onwards Differential
Otane	0.48	0.64	0.80
Takapau	0.36	0.48	0.60
Waipawa	1.00	1.00	1.00
Waipukurau	1.00	1.00	1.00

Places and Open Spaces Group

Reserves and Open Spaces

Description

A number of parks, reserves, war memorials and camping grounds are provided throughout the district for recreation, including sports fields, children's playgrounds and amenity areas.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Proud District
2. Prosperous District
3. Strong Communities
4. Connected Citizens
5. Environmentally Responsible

Distributions of benefits

Benefits from parks accrue to the community generally through the provision of facilities for groups and individuals to pursue active and passive leisure pursuits, education on the natural environment, community pride and contributing to community health and well-being.

There can be private benefits to people and sports groups through the use of sports fields for organized sport, but these are available to the wider community at other times.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having these facilities available.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council have agreed a 97% public, 3% private funding split and that the cost of funding the public component of the Parks, and Reserves should occur by way of 70% from the General Rate assessed on Capital Value and 30% from the Uniform Annual General Charge. The private funding component will be collected from fees and charges with market rentals being applied to camp grounds.

Public Toilets

Description

The Council provides 24 public conveniences located throughout the District.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Prosperous District
2. Environmentally Responsible

Distributions of benefits

Public toilets provide a mix of public and private benefits. While private benefits are obvious, public benefits are through having these essential facilities available for residents and visitors, and maintaining standards of public hygiene.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having public conveniences available.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

Council have agreed 100% public funding and that the cost of funding the public component of the Public Toilets should occur by way of 100% from the General Rate assessed on Capital Value.

Retirement Housing

Description

A total of 48 one bedroom flats are owned by Council in different locations in Waipukurau and Waipawa. These provide affordable housing for those elderly in need.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Strong Communities
2. Connected Citizens

Distributions of benefits

Benefits from housing accrue to tenants of the housing units. This is a relatively small and identifiable group who are provided with affordable accommodation in convenient locations. There may be some small community benefits through the availability of low cost housing to vulnerable groups in the community.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits from having housing available. The main benefit is to people who choose to tenant these units.

Costs and Benefits of distinct funding

The activity is self-funding and separate funding is not required.

Recommended Funding

The Council believes the optimum funding is 100% private, through user rental charges.

Libraries

Description

The Council operates two libraries in Waipukurau and Waipawa.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Proud District
2. Strong Communities
3. Connected Citizens

Distributions of benefits

Benefits from libraries accrue largely to the community, by promoting and supporting literacy, unlocking access to information and providing valued community resources. There is a direct benefit to each individual who reads a book, or accesses one of the other library services. In some cases, these can be recovered, however a high level of recovery could restrict the ability of some users to access these services.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having library services available.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

The Council has agreed the optimum allocation of costs is 90% public to 10% private. Public funding is through the Uniform Annual Charge, with private funding through user charges for some library services.

Community Facilities

Description

Community Facilities include several community halls located throughout the District, the Council's Civic Theatre and the Municipal Theatre and the Central Hawke's Bay Museum. There are two swimming pools, one owned by the Council and one owned by a Community Trust that is largely funded by the Council.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Proud District
2. Strong Communities
3. Connected Citizens

Distributions of benefits

Benefits from this activity largely accrue to the community, through cultural enrichment and community identity. There may be direct benefits to some people using these services, but a high level of recovery may restrict the ability of some people to continue to use these services.

Public benefits are from the ability to use the facilities for public events and gatherings and as a hub for communities in the event of natural disaster. There are direct benefits for individuals and groups who choose to use the facilities available for personal functions.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from the provision of these assets and services.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is not benefit perceived from separate funding.

Recommended Funding

Council have agreed 85-90% public funding. Public funding is 85-90% from the capital value based general rate, with limited private funding 10-15% through user charges for hireage and rental.

Cemeteries

Description

Council currently operates ten cemetery sites for burial and cremation interments.

Community Outcomes

This activity contributes primarily to the following community outcomes:

1. Proud District
2. Environmentally Responsible

Distributions of benefits

Benefits from cemeteries are considered to be largely private, although it is necessary for communities to have an interment system that meets appropriate health standards. Private benefits are from the provision of individual gravesites for remembrance and burial.

Timeframes of benefits

Ongoing.

Contributors to need for activity

The community benefits widely from having cemeteries available. In some cases, vandalism and failure to maintain headstones may cause additional costs.

Costs and Benefits of distinct funding

Benefits from this activity are community wide and there is no benefit perceived from separate funding.

Recommended Funding

The Council have agreed a 80-90% public, 10-20% private funding split. Public funding is from the capital value based general rate, with private funding through fees and charges.