

Recovery or Emergency Event Financial Resilience Rate – Options and S101(3) Analysis

Executive Summary and Recommendations

Staff Recommendation: Introduce a new District-wide targeted rate to fund the Council’s costs of the 2025 weather event

1. Develop a new, specific rate

We recommend creating a new targeted rate to fund the recovery from the 2025 weather event rather than changing existing rates.

A new, clearly defined rate is more transparent for ratepayers. It makes it clear what the money is for, ensures the funding is only used for this purpose, and helps explain the overall rates increase shown in the Annual Plan 2026/2027.

Current targeted rates are structured around established activities, not recovery from major weather events, so they do not align well with the pattern of benefits. A new rate avoids trying to fit the funding into existing categories that don’t match the situation.

2. Apply the rate district-wide

Although the largest benefits of the 2025 recovery work are in specific locations, there are wider benefits for the District as a whole.

Asking all ratepayers to contribute is consistent with a community-wide approach to emergency recovery, where collective responsibility helps ensure that those most affected are not left to shoulder the burden alone.

Future natural hazard events could affect different areas of the District and ratepayers.

Targeting the rate only to the most affected areas would place extra financial pressure on those already dealing with significant impacts from the 2025 weather events. Under section 101(3)(b) of the Local Government Act, we consider that this would negatively affect the social, economic, environmental, and cultural wellbeing of those communities.

For these reasons, we propose that all ratepayers across the District contribute to the rate.

3. Create a recovery rate to solely fund the recovery costs of the 2025 weather events, rather than it also to function as an ongoing emergency event financial resilience rate.

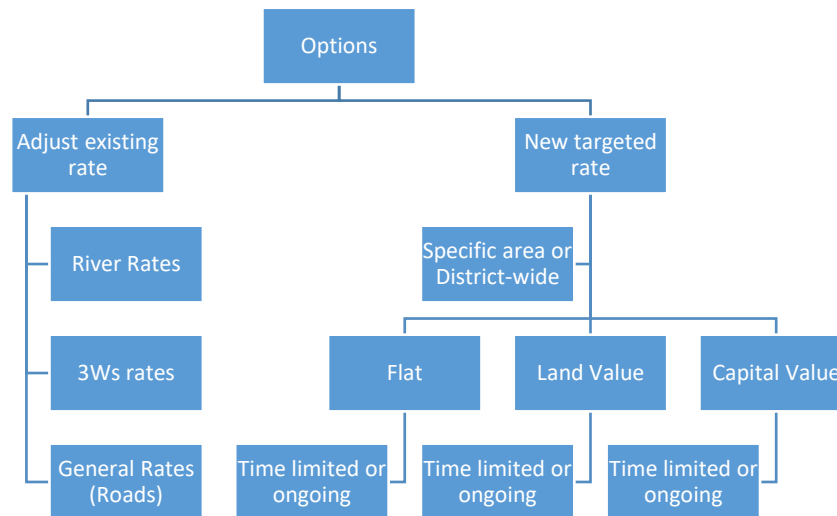
The Council’s current Financial Strategy is to maintain available debt headroom to be able to borrow for the costs of recovery from emergency events. This Strategy identifies that rates revenue would need to increase to service this additional debt. Creating a recovery rate to solely fund the recovery costs of the 2025 weather events is consistent with this direction in the Financial Strategy.

4. Levy the rate as a fixed amount per property

Modelling shows that charging a uniform amount per rateable property would equate to around \$125 per year—a modest annual cost that is easy to explain and apply consistently.

Using capital value instead would mean that some high-value properties would pay several hundred dollars more each year. This is difficult to justify particularly for high value properties not receiving the greatest benefit in the shorter term at least and does not align with the distribution of benefits.

Options Analysis



Adjust General Rates (either Uniform Annual General Charge (UAGC) or based on capital value)

Advantages	Disadvantages
- Procedurally simple – no/limited change to Revenue and Financing Policy (RFP) - Lower costs to administer - Costs of recovery shared by all ratepayers – recognises that these events can hit a wide range of areas in the District¹. - Lower financial impact on any individual ratepayer as costs shared by all ratepayers. - The UAGC can be used as a lever to moderate rates movements	- Doesn't send any economic signals about the costs of living in riskier areas - Less transparent – increased rates for this purpose harder for public to identify.

Adjust one or more Targeted Rates

Advantages	Disadvantages
- Procedurally simple – no/limited change to RFP - Costs of recovery borne by those paying the targeted rates for the activities affected and aligns with the principle of beneficiaries/exacerbators pay²	- Costs shared by fewer ratepayers resulting in higher impact on a subset of ratepayers. - Some of the targeted rates concerned may not closely match those ratepayers receiving disproportionate benefits from the weather events recovery.

¹ More justifiable for an ongoing Emergency Event Financial Resilience Rate than a rate specific to the 2025 weather events recovery.

² Only applies to a rate specific to the 2025 weather events recovery.

Sends economic signals about the costs of living in riskier areas³.	- Some of those paying the increased targeted rates will disproportionately also be those directly affected by the weather events⁴. - Less transparent – increased rates for this purpose harder for public to identify - May require a review of rating map boundaries
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Introduce New Targeted Rate – regardless of rating basis

Advantages	Disadvantages
Transparent – increased rates for this purpose easier for public to identify.	More procedurally complex – change to RFP and additional admin to collect new rate.

Introduce New District-Wide Targeted Rate – Uniform targeted⁵ rate for all ratepayers

Advantages	Disadvantages
- Transparent – increased rates for this purpose easier for public to identify. - Costs of recovery shared evenly across all ratepayers. - Those in areas affected by the weather event don't have to pay disproportionately more than other ratepayers. - Natural hazard events are likely to hit multiple areas in the District in the future and sets precedent that recovery costs will be shared by all ratepayers. - Lower financial impact on any individual ratepayer as costs shared by all ratepayers – (than targeted rate not applied District wide)	- Procedurally complex requiring a change to RFP. - Doesn't send any economic signals about the costs of living in riskier areas. - Disproportionately impacts ratepayers in lower value properties – who are generally less able to pay. - Those ratepayers that receive little or no benefit from the recovery expenditure pay the same as those who receive substantial benefits. - More administratively intense to implement than adding to existing rates

Introduce New District-Wide Targeted Rate – based on capital value

Advantages	Disadvantages
- Transparent – increased rates for this purpose easier for public to identify. - The impact on ratepayers is proportionate to the value of their property – arguable that those with higher value properties get more benefit.	- Procedurally complex requiring a change to RFP. - Doesn't send any economic signals about the costs of living in riskier areas. - Those ratepayers that receive little or no benefit from the recovery expenditure pay

³ But note potential mismatch between targeted rates areas and riskier areas.

⁴ Applies more directly to a rate specific to the 2025 weather events recovery.

⁵ See consideration of rates liability factors for the recovery rate [Recovery Rate - liability factor options.docx](#)

• Does not disproportionately impact ratepayers in lower value properties – who may generally be less able to pay. • Those in areas affected by the weather event don't have to pay disproportionately more than other ratepayers. • Natural hazard events are likely to hit multiple areas in the District in the future and sets precedent that recovery costs will be shared by all ratepayers. • Lower financial impact on any individual ratepayer as costs shared by all ratepayers (than targeted rate not applied District wide). • Capital value more appropriate than land value because it takes account of how large the level of investment of the ratepayer on the land is, as well as value of the land	the same as those who receive substantial benefits – particularly for those with higher property values in urban areas. • More administratively intense to implement than options than to add to existing rates • Any potential volatility in property revaluations will impact the distribution of the rate • Higher CV in urban areas may be perceived as cross-subsidising rural areas, even when hazard exposure differs.
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Introduce New District-Wide Targeted Rate – based on land value

Advantages	Disadvantages
• Transparent – increased rates for this purpose easier for public to identify. • The impact on ratepayers is proportionate to the value of their property – arguable that those with higher value properties get more benefit with having more to protect • Does not disproportionately impact ratepayers in lower value properties – who may generally be less able to pay. • Those in areas affected by the weather event don't have to pay disproportionately more than other ratepayers. • LV can resonate where the hazard/event relates to location rather than improvements • Natural hazard events are likely to hit multiple areas in the District in the future and sets precedent that recovery costs will be shared by all ratepayers. • Lower financial impact on any individual ratepayer as costs shared by all ratepayers – than targeted rate not applied District wide).	• Procedurally complex requiring a change to RFP. • Doesn't send any economic signals about the costs of living in riskier areas. • Those ratepayers that receive little or no benefit from the recovery expenditure pay the same as those who receive substantial benefits – particularly for those with higher property values particularly in urban areas. • Land value less appropriate than capital value because it does not take account of the level of investment of the ratepayer on the land. • More administratively intense to implement than options than to add to existing rates • High-land-value but low-income ratepayers (e.g., some rural/farm properties) can face heavier burdens. • Ratepayers with lower land value but high capital investment have more to protect but will pay less.

Time Limited Rate

Advantages	Disadvantages
• Clear and transparent that this rate is to fund the known costs of recovery from the 2025 weather events only. • Ratepayers know the period over which the rate will apply. • Potential for a lower % rates increase in the year after this rate finishes. • No risk that the relative interest and inflation rates means that funds collected for future recovery lose real value over time. • Our recent direction uses dynamic rates caps and acknowledges emergency recovery may sit outside normal caps; a time-limited rate dovetails with that policy stance. • Consistent with the Council's Financial Strategy.	• Risk of further natural hazard events that require rates funding for recovery before the time period for this rate is complete. • No opportunity for proactive build-up of funds for recovery prior to future natural hazard events. • Makes applying the rate to all ratepayers less justifiable as (arguably) they don't all benefit equally from the effects of future natural hazard events. • When the rate ends, we may still have residual costs

Ongoing Recovery and Emergency Event Financial Resilience – used to fund recovery from the 2025 weather events and then build a fund for resilience and recovery work in the future.

Advantages	Disadvantages
• Makes applying the rate to all ratepayers more justifiable as (arguably) they all could benefit in the future. • A one-time only increase in rates to fund recovery costs and future financial resilience – and before rates capping is introduced (although recovery rates may be an exclusion from the cap). • Provides opportunity for proactive build-up of funds for recovery prior to future natural hazard events. • Makes applying the rate to all ratepayers more justifiable as (arguably) they could all benefit equally through recovery from the effects of future natural hazard events.	• Use of the funds are less transparent. • Leads to a permanent increase in the amount of rates people pay. • Risk that the relative interest and inflation rates means that funds collected for future recovery lose real value over time. • Over time, scope creep can erode clarity on “what the rate pays for” unless we lock in ring-fencing and annual reporting. • Not consistent with the Council's Financial Strategy.

Period over which to fund the recovery costs of the weather event:

Longer recovery period

Advantages	Disadvantages
• Lower rates increase/lower rates in the next few years	• Rates stay at increased level to fund the weather event for a longer period (by the end

• Cost of living pressures may be lower in the future	of this it may have dropped out of public consciousness). • Increases the likelihood that there will be other natural hazards events that require funding before the weather event recovery has been fully funded.
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Shorter recovery period

Advantages	Disadvantages
• Costs of weather event recovery get funded more quickly (while it is in public consciousness) • Reduces the likelihood that there will be other natural hazards events that require funding before the weather event recovery has been fully funded.	• Higher rates increase at a time of cost of living increases.

From the options available we have focused on four for further analysis, being:

1. Targeted Recovery Rate District-wide for five years to repay the costs of the weather events only - uniform amount
2. Targeted Recovery Rate District-wide for five years to repay the costs of the weather events only - Capital value
3. Targeted Recovery and Emergency Event Financial Resilience Rate - District-wide ongoing to repay the costs of the weather events initially and then be used to build a fund to respond to future natural hazard events – uniform amount
4. Targeted Recovery and Emergency Event Financial Resilience Rate - District-wide ongoing to repay the costs of the weather events initially and then be used to build a fund to respond to future natural hazard events – Capital value

The options involving adjusting existing rates, rather than creating a new recovery or resilience rate have not been analysed further because we consider there to be a strong case for the transparency of a separate rate. This will make communication with the public clearer, and the intended use of the funds will be transparent – both when they are collected and when they are utilised.

Consideration of RFP Principles for Options 1-4

RFP Principle	Application to Recovery/Recovery and Emergency Event Financial Resilience Rate
Non rates funding: Subsidies, grants and other income options are fully explored prior to rates funding being used.	The Council has fully explored and exhausted the options for non-rates funding for the weather events recovery. External funding has been received from NZTA, MfE, MBIE, DIA, and MPI. This has reduced the recovery costs that need to be funded through rates.
Fees and charges: An activity should be funded by users or exacerbators if an individual or group of individuals directly receives the benefits of the activity or causes the action, and the costs of the activity can easily be attributed and charged to that individual or group of individuals.	Fees and charges are not an appropriate funding source for the 2025 weather-event recovery. This is because there are no identifiable “users” who created the need for the recovery work or who receive solely private benefit from it. While some residents and businesses were more affected than others and may benefit more directly from specific recovery projects, the benefits are not limited to clearly identifiable individuals or properties.
Targeted Rates: Where it is appropriate for users or exacerbators to fund an activity because they receive the benefit, but the Council cannot easily attribute or charge the costs individually and the costs are significant enough to warrant separate charging, it may set targeted rates. Other than for volumetric water, there are limited legal mechanisms for charging for true “user pays” through rates. Proxies are often used.	Some communities located close to damaged areas will experience greater benefits from the recovery work than the wider District. However, the wider population will also benefit. This means targeted rates could be used to fund some recovery costs because they can reflect different levels of benefits for different ratepayers. Existing targeted rates could be increased, or a new targeted rate could be created. The challenge with using existing targeted rates, however, is that the boundaries of these targeted rating areas may not align well with the areas that benefit most. Some of the damaged assets—such as roads—are normally funded through general rates. If a targeted rate were introduced to fund both the 2025 recovery and future resilience work, it would be difficult to accurately identify who will benefit from the resilience component in the future. This makes targeted rates (other than a targeted rate applied District-wide) less suitable for resilience funding unless applied District-wide.
General Rates: An activity should be collectively funded using general rates if the benefits of the activity are largely received by the broader community and the costs of the activity cannot easily be attributed to an individual or group of	General rates are a suitable funding option for part of the recovery costs because the benefits of recovery work are shared to some extent across the District. This is particularly relevant where the assets involved (such as roads) are funded from general rates.

individuals, or where it is uneconomic to collect via user charges or targeted rates. The Council may also use general rates when it determines it is appropriate considering the overall impact of any allocation of liability for revenue in terms of affordability and the current and future social, economic, environmental, and cultural well-being of the community.	General rates may also be more appropriate for an ongoing Emergency Event Financial Resilience Rate, as future beneficiaries could be located anywhere in the District. However, this approach may reduce transparency for the public because the funding purpose is less visible.
District-wide targeted rates: In some cases, the Council will set district-wide targeted rates that are set at a fixed amount per rating unit. This mechanism is used when the Council determines that the benefit of the activity is a public benefit, but the benefits are similar whether the property is developed or undeveloped.	A District-wide targeted rate has similar advantages and disadvantages to using general rates with the advantage (over general rates) that it makes the funding more transparent. Both District-wide targeted rates and area-specific targeted rates would be consistent with the principles of the Revenue and Financing Policy for funding recovery from the 2025 weather events, given that some benefits are local and some District-wide. However, this may result in unacceptable consequences for affordability and the current and future social, economic, environmental, and cultural well-being of parts of the community. A district-wide targeted rate would be particularly suitable for an Emergency Event Financial Resilience Rate as it is transparent, and the future beneficiaries could be located anywhere in the District. The Policy currently describes a District-wide targeted rate as a <i>fixed charge per rating unit</i>. This remains an option. Another option is a District-wide targeted rate based on capital value. If this option is selected, a minor amendment to the Policy's definition of District-wide targeted rates would be needed.
Club approach targeted rates: The whole District should contribute funds to a range of key infrastructure assets irrespective of their location and the population they serve, although targeted rate differentials can still be set to reflect differing levels of costs and benefit under this approach. Through a "club" approach, all members will share in the costs and benefits of paying for each other's infrastructure and services,	Recovery costs associated with the club approach relate mainly to the three-waters activities. If the club approach is used for these costs, all ratepayers within the relevant "club" should contribute in line with the way that rate is normally levied. However, it may be less justified to charge other users of three waters services who were unaffected by the weather events and rather than ratepayers in the District as a whole. River rates currently operate in a way that resembles a club.

which helps provide more certainty and affordability to rates and helps ensure more consistent levels of service across the district. The club approach implicitly incorporates a level cross-subsidisation. Once in a “club”, areas cannot opt out in the future. Before an area first joins a “club”, the Council will review its assessment of who pays for the associated activity and why. In making this assessment, the Council will consider factors including the future capital works programme and its timing. The Council may determine that the area should pay more, temporarily, to ensure an appropriate distribution of costs relative to benefits in the event of significant planned capital works in the area. The “club” approach is a general principle used by the Council for utility infrastructure and the Urban Water Club is one such example. At the moment, the Motueka community has not opted to join the Urban Water Club.	Some assets damaged in the weather events—such as road structures —are funded through general rates.
Intergenerational equity: Each generation of ratepayers should pay for the services they receive. Therefore, for assets which have long term benefit, debt funding will typically be undertaken. Generally, where loans are used to fund capital expenditure, they will normally be limited to a term of 20 years, or the life of the asset, whichever is the shorter. In some cases, where capital expenditure will benefit residents for a long period into the future, it may be more equitable to have a longer-term loan, to ensure those who benefit contribute to the costs.	A resilience fund reduces the need for Council to rely on debt to fund emergency repairs or early renewals. This improves intergenerational equity by ensuring today’s ratepayers contribute to the emergency risks they are exposed to and to the assets they currently benefit from. Without a resilience fund, the cost of replacing assets destroyed in an event is often passed to a future rating base that did not experience the event and did not receive the full benefit of the original asset. In general, debt funding emergency reinstatement is not appropriate when assessed against principles of intergenerational equity, as it shifts the cost of past events to future ratepayers. There may be specific circumstances in which a small portion of reinstatement could theoretically qualify for borrowing, such as where the repair work results in a material extension of an existing asset life, but these situations are uncommon in practice. The resilience fund therefore provides a more equitable and stable mechanism than relying on borrowing for most emergency reinstatement activity.

	<i>Note: This discussion is based on an idealised asset lifecycle and funding model. In practice, historical financial decisions, legacy depreciation approaches, and earlier policy settings mean that actual funding treatment has varied across assets and time. Policy can only establish a consistent forward-looking approach and cannot retrospectively correct historical differences.</i>
Dividend Income: the Council's dividend income from sources including Infrastructure Holdings Ltd (which owns Port Nelson and Nelson Airport) is allocated between activities based on the activities total operating cost and will be a source of "local authorities fuel tax, fines, infringement fees, and other receipts" income. The Council Enterprises activity does not receive this dividend allocation.	The Council's dividend income is already fully allocated. If the Council was to use dividend income to help fund the recovery costs, it would have to reduce the dividend funding of other activities.
Income from Enterprise activity: Income received from the Council's Enterprise activities is used to support re-investment and a range of Council activities. This is set out in the Enterprise Activity Distribution Rules and Principles section of its business plan adopted by the Council.	Similarly, as for dividends, income from the Enterprise activity is already allocated to other activities.
Major asset sales: Funds received by the Council from major asset sales will be used to repay any debt associated with that asset, and any funds remaining will be used as determined by the Council. The original source of funds, restrictions and the use of related income will be recognised in the use of proceeds from asset sales. It is also noted that where there is a legal responsibility associated with any property that may be sold, that responsibility will be managed accordingly.	Funding from the sale of major assets could potentially be used to repay debt associated with the recovery costs. Note the Council already has a programme to selling surplus property to fund costs not associated with recovery from the weather events.

Recovery Rate Options – Local Government Act s101(3) Consideration

Purpose

Assess funding options for recovery from the **2025 weather events** (and, for ongoing options, future natural hazard events) against **LGA s101(3)**. Four options are considered:

1. **Targeted Recovery Rate** (District-wide, **5 years**, **Uniform** per rating unit)
 2. **Targeted Recovery Rate** (District-wide, **5 years**, **Capital Value** based)
 3. **Targeted Emergency Event Financial Resilience Rate** (District-wide, **ongoing**, **Uniform** per rating unit)
 4. **Targeted Emergency Event Financial Resilience Rate** (District-wide, **ongoing**, **Capital Value** based)
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A. s101(3)(a) Factors — Common Assessment (applies to all options)

(a)(i) Community outcomes primarily supported

Activities funded include roading/transport, waste collection and disposal, three waters repairs, rivers works, and parks/reserves repairs. These contribute to outcomes as follows:

- **Our unique natural environment is healthy, protected and sustainably managed**
 - Wastewater repairs protect waterways and ecosystems.
 - Waste/silt recovery reduces pollution and biosecurity risks.
- **Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed**
 - Clearing/repairing roads (including **Great Taste Trail**) restores access to rural/urban areas and amenities.
- **Our infrastructure is efficient, resilient, cost effective and meets current and future needs**
 - **Roads:** clearing/repairs to roads, bridges, and approaches
 - **Three waters:** restoring services, minor asset repairs
 - **Rivers:** repairing/replacing stopbanks and other river works
 - **Parks/reserves:** repairing parks and on-park assets
- **Our communities are healthy, safe, inclusive and resilient**
 - Safe travel and access to healthcare enabled by cleared roads.
 - River works protect people, buildings, and land from flooding.
 - Three waters services support safe drinking water and wastewater disposal.
- **Our communities have access to a range of social, cultural, educational and recreational facilities and activities**
 - Restored transport access supports participation beyond local neighbourhoods.

- Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement
 - Transparent recovery funding supports trust and engagement.
- Our region is supported by an innovative and sustainable economy – Repaired roads enable production to reach markets and supplies to be received.
 - River assets protect productive land and businesses.

(a)(ii) Distribution of benefits: whole community vs parts vs individuals

Common position:

Benefits are **graduated by proximity and use**: those in/near affected areas benefit most (direct access and protection), frequent users next, less frequent users least. District-wide benefits also arise (visitation, business continuity, multiplier effects), even for those who do not visit affected areas.

Option-specific nuances are set out in Section B (well-being impacts) and Section C (option assessments).

(a)(iii) Period over which benefits occur

- **Immediate/short-term**: operations, waste and silt collection/disposal, urgent repairs.
 - **Medium/long-term**: asset renewals (e.g., roads, stopbanks, three waters) with multi-year useful lives benefiting **current and future ratepayers**.
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(a)(iv) Extent of actions/inaction contributing to the need

- For 2025 events, **locational choices** (e.g., locating homes/businesses near rivers) may be viewed as contributing to risk exposure (noting most such activities were **consented by Council**).
 - For **future events** (in ongoing options), contributors are **uncertain and location-specific** (e.g., coastal, hillside, or top-of-slope locations).
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(a)(v) Costs/benefits of funding distinctly from other activities

- **Transparency/accountability**: A separate targeted rate clearly shows recovery costs on rates bills, helping the public distinguish **event-driven costs outside Council control** from other rate drivers.
- **Administrative cost**: There are **policy/process costs** (RFP change, consultation, decision-making) whichever new targeted rate option is chosen; **system setup costs are small**.
- **Conclusion**: Net transparency benefits outweigh modest setup/administration costs across all options.

B. s101(3)(b) Overall impact on current and future well-being — Cross-cutting principles

Equity and affordability:

- **Uniform charges** treat every rating unit the same dollar amount; simpler, but can **disproportionately impact lower-income households** (Council has no direct income-based rating tool; **property value** is the best available proxy).
- **Capital value (CV) charges** scale with property value; those with **lower-value properties pay less**, a closer proxy for ability to pay. Those with **higher-value properties pay more**, including some not directly affected by the 2025 events.

Intergenerational balance and debt risk:

- Prolonged borrowing for renewals can **accumulate recovery debt**, crowding out future borrowing and **eroding capacity** for other priorities if events occur more frequently than debt is repaid.
- This supports **shorter funding horizons** for recovery costs (including renewals), rather than long-term debt.

Targeting by exposure:

- Loading most costs onto the directly affected could **undermine recovery and well-being** for those already adversely impacted.
- **District-wide sharing** better spreads shock costs; **ongoing resilience funds** spread costs across time and space but extend payment duration.

C. Option Assessments (differences only)

Option 1 — Targeted Recovery Rate, District-wide, 5 years, Uniform amount

- **Distribution/affordability:** Equal charge per rating unit; simple and predictable. Estimated **~\$124 per property p.a. for 5 years** (modest for many, but proportionally heavier for lower-income households).
- **Rates profile:** Rates rise in 2026/27, then **drop after ~5 years** when fully repaid (subject to no overlapping events).
- **Pros:** Transparent; **even sharing** avoids over-burdening directly affected areas; **lower per-household peak** than more targeted, locality-only rates; straightforward messaging; consistent with the Council's Financial Strategy.

- **Cons:** **Regressive effect** on lower-value properties; does **not signal risk** of high-hazard locations; some pay the same despite receiving less direct benefit; more admin than simply reprioritising existing rates.

Option 2 — Targeted Recovery Rate, District-wide, 5 years, Capital Value

- **Distribution/affordability:** Payments **vary with CV**; illustrative range **\$48 to \$800 p.a.** across example properties for 5 years (excluding an outlier utility property).
- **Equity:** Better **aligns with ability-to-pay proxy** (property value); some high-CV owners **unaffected by the event** would pay substantially more.
- **Rates profile:** Rise in 2026/27, then **drop after ~5 years** when repaid.
- **Pros:** Transparent; **more equitable** than uniform on ability-to-pay; avoids over-burdening directly affected households; higher-CV ratepayers may be **better placed to absorb** increases; consistent with the Council's Financial Strategy.
- **Cons:** No direct **risk-pricing signal**; some high-CV households outside affected areas face **material increases**; still more admin than adjusting existing rates.

Option 3 — Emergency Event Financial Resilience Rate, District-wide, ongoing, Uniform amount

- **Scope over time:** Funds **first five years** of 2025 recovery, **then continues** to build a **future events fund**.
- **Distribution/affordability:** Equal dollar charge per rating unit; shares 2025 and **future** event costs across all.
- **Rates profile:** Increases in 2026/27 and **does not reduce** after 5 years (fund continues).
- **Pros:** Transparent; **predictable, stable funding** for future events; **any location** could benefit later; **lower per-event shock** by pre-funding.
- **Cons:** **Regressive** vs ability to pay; **no rates reduction** post-2025 recovery; **no risk signal**; ongoing payment could affect those already impacted (though impact may lessen over time); not consistent with the Council's Financial Strategy.

Option 4 — Emergency Event Financial Resilience Rate, District-wide, ongoing, Capital Value

- **Scope over time:** As Option 3, but **CV-based**.

- **Distribution/affordability:** Scales with property value; **lower-CV pay less, higher-CV pay more** (including some unaffected by 2025 events).
- **Rates profile:** Increases in 2026/27 and **no reduction** after 5 years; fund continues to build and be drawn down as events occur.
- **Pros:** Transparent; **more equitable proxy** for ability to pay; **spreads future event costs**; may **avoid repeated creation** of new targeted recovery rates.
- **Cons:** **No risk signal**; high-CV, unaffected ratepayers can face **substantial increases**; if events occur frequently, reductions may be delayed or not occur; admin costs above status quo; not consistent with the Council's Financial Strategy

D. Comparative summary (at a glance)

Criterion	Opt 1 Recovery 5yrs Uniform	Opt 2 Recovery 5yrs CV	Opt 3 Resilience Ongoing Uniform	Opt 4 Resilience Ongoing CV
Transparency	Clear, separate line	Clear, separate line	Clear, separate line	Clear, separate line
Equity (ability to pay)	Regressive	Progressive (proxy)	Regressive	Progressive (proxy)
Direct vs wider benefit alignment	Same \$ for all	Same % of value for all	Same \$ for all, future events too	Same % of value for all, future events too
Rates profile	Up now, down after ~5yrs	Up now, down after ~5yrs	Up now, continues (no drop)	Up now, continues (no drop)
Administrative effort	RFP change; low setup	RFP change; low setup	RFP change; low setup	RFP change; low setup
Risk signalling	None	None	None	None
Debt/capacity risk	Lower (short horizon)	Lower (short horizon)	Lower if build fund; depends on event frequency	Lower if build fund; depends on event frequency
Illustrative annual impact	~\$124 per property x 5 years	\$48–\$800 p.a. x 5 years (examples)	~\$124 per property (continuing, adjustable)	Scaled by CV (continuing, adjustable)

Notes: Illustrative figures are from your modelling examples. Actual incidence will depend on final rating base and any policy levers adopted.

E. Conclusion (how this meets s101(3))

- **(a) Factors:** The community outcomes, beneficiaries, timing of benefits, contributors to need, and transparency considerations are **clearly identified** and—where common—stated once to avoid duplication.
- **(b) Well-being:** Options that **spread costs District-wide** avoid overburdening those already affected; **CV-based** options better reflect ability to pay. Options with **shorter repayment horizons** mitigate debt accumulation risk. **Ongoing resilience** options enhance preparedness but extend payment duration (with equity differences between uniform vs CV).

Rates Modelling of the Short-Listed Options

Rating Property Description	CV as at 2023	LV as at 2023	Capital Value Rate	Land Value Rate	Fixed Fee
Residential - Takaka	\$620,000	\$255,000	\$ 70.40	\$ 53.03	\$ 124.01
Residential - Murchison, with 131m ³ of water, Urban Water Supply Metered Connections	\$420,000	\$140,000	\$ 47.69	\$ 29.11	\$ 124.01
Residential - Mapua (no Council supplied wastewater/metered water)	\$940,000	\$570,000	\$ 106.74	\$ 118.53	\$ 124.01
Residential - Mapua, with 153m ³ of water, Urban Metered Water Supply	\$720,000	\$500,000	\$ 81.75	\$ 103.98	\$ 124.01
Residential - Kaiteriteri, with 149m ³ of water, Urban Water Supply Metered Connections	\$1,330,000	\$560,000	\$ 151.02	\$ 116.46	\$ 124.01
Residential - Brightwater, with 117m ³ of water, Urban Water Supply Metered Connections	\$750,000	\$380,000	\$ 85.16	\$ 79.02	\$ 124.01
Residential - Wakefield, with 185m ³ of water, Urban Water Supply Metered Connections	\$780,000	\$350,000	\$ 88.57	\$ 72.78	\$ 124.01
Residential - Motueka, with 87m ³ of water, Motueka Water Supply Metered Connections	\$640,000	\$430,000	\$ 72.67	\$ 89.42	\$ 124.01
Residential - Richmond (Waimea Village), with 29m ³ of water, Urban Water Supply Metered Connections	\$430,000	\$250,000	\$ 48.83	\$ 51.99	\$ 124.01
Residential - Richmond, with 103m ³ of water, Urban Water Supply Metered Connections	\$880,000	\$445,000	\$ 99.92	\$ 92.54	\$ 124.01

Residential - Richmond, with 181m ³ of water, Urban Water Supply Metered Connections	\$1,630,000	\$590,000	\$ 185.08	\$ 122.69	\$ 124.01
Dairy Farm - Collingwood-Bainham	\$7,020,000	\$5,490,000	\$ 797.11	\$ 1,141.68	\$ 124.01
Forestry - Lakes Murchison	\$1,910,000	\$1,840,000	\$ 216.88	\$ 382.64	\$ 124.01
Horticultural - Richmond with 177m ³ of water, Urban Water Supply Metered Connections	\$1,335,000	\$805,000	\$ 151.59	\$ 167.40	\$ 124.01
Horticultural - Ngatimoti	\$1,470,000	\$850,000	\$ 166.92	\$ 176.76	\$ 124.01
Horticultural - Hope in WCD EURA	\$3,390,000	\$2,070,000	\$ 384.93	\$ 430.47	\$ 124.01
Pastoral Farming - Wakefield, with Water Supply Dams, Wai-iti Valley Community Dam	\$3,210,000	\$2,070,000	\$ 364.49	\$ 430.47	\$ 124.01
Pastoral Farming - Upper Moutere	\$1,485,000	\$1,080,000	\$ 168.62	\$ 224.59	\$ 124.01
Lifestyle - Hope in WCD EURA with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$1,350,000	\$980,000	\$ 153.29	\$ 203.80	\$ 124.01
Lifestyle- Hope in WCD EURA with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$1,460,000	\$710,000	\$ 165.78	\$ 147.65	\$ 124.01
Lifestyle - Wakefield, with 3m ³ /day restrictor, Eighty-Eight Valley Rural Water Supply	\$2,970,000	\$1,350,000	\$ 337.24	\$ 280.74	\$ 124.01
Lifestyle - East Takaka	\$1,130,000	\$450,000	\$ 128.31	\$ 93.58	\$ 124.01
Lifestyle - Neudorf, with 2m ³ /day restrictor, Dovedale Rural Water Supply	\$680,000	\$455,000	\$ 77.21	\$ 94.62	\$ 124.01
Lifestyle - Tasman with 2m ³ /day restrictor, Rural Water Extension to Urban Water Scheme	\$1,230,000	\$820,000	\$ 139.66	\$ 170.52	\$ 124.01

Lifestyle - Bronte, with 3m ³ /day restrictor, Redwood Valley Rural Water Supply	\$2,140,000	\$1,480,000	\$ 242.99	\$ 307.78	\$ 124.01
Commercial - Queen St, Richmond, with 343m ³ of water, Urban Water Supply Metered Connections	\$1,630,000	\$930,000	\$ 185.08	\$ 193.40	\$ 124.01
Commercial - High St, Motueka	\$1,750,000	\$600,000	\$ 198.71	\$ 124.77	\$ 124.01
Industrial - Cargill Place, Richmond, with 51m ³ of water, Urban Water Supply Metered Connections	\$1,290,000	\$500,000	\$ 146.48	\$ 103.98	\$ 124.01
Utility	\$133,210,000	\$0	\$ 15,125.74	\$ -	\$ 124.01