tasman district council | Te Kaunihera o te tai o Aorere

REVENUE AND FINANCING POLICY 2024–2034

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REVENUE AND FINANCING POLICY

POLICY REFERENCES	
Effective date:	1 July 2024 – updated March 2026. Marked up changes intended to take effect from 1 July 2026. Note the changes are in Governance (pages 45-49).
Review due:	30 June 2027
Legal compliance:	Local Government Act 2002 Section 102(2)(a) & 103

1 INTRODUCTION

1.1 PURPOSE

The Revenue and Financing Policy is adopted to provide predictability and certainty about sources and levels of council funding. It explains the Council's policies in respect of the funding of operating and capital expenditure from the various funding sources available to it. It also explains how the Council has undertaken the analysis of its funding needs.

1.2 STRUCTURE OF THE POLICY

This Policy is structured as follows:

- The Council's broad principles, including consideration of relevant factors and review of the overall allocation of liability for revenue needs on the community;
- The Council's policy on funding operating expenses;
- The Council's policy on funding capital expenses; and
- The Council's consideration of the overall impact of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

1.3 RELATED POLICIES

A number of Council policies have relationships with the Revenue and Financing Policy:

- Financial Strategy - this strategy sets out how the Council plans to finance its overall operations in order to meet its Community Outcomes;
- Liability Management Policy[1]- this Policy outlines the Council's policies in respect of the management of both borrowing and other liabilities;
- Investment Policy[1] – this Policy outlines the Council's policies in respect of investments;

[1]Both policies are contained within a single document titled "Tasman District Council Treasury Risk Management Policy- Including Liability Management and Investment Policies."

- Development and Financial Contributions Policy – the purpose of this policy is to ensure that a fair, equitable and proportionate share of the cost of infrastructure to meet growth, is funded by those who cause the need for and benefit from the new or additional infrastructure, or infrastructure of increased capacity.
- The Council is required to have a policy on Development Contributions or Financial Contributions. The Council's Tasman Resource Management Plan (TRMP) contains provision for Financial Contributions for reserve purposes;
- Rates Remission Policy and Policy on Remission and Postponement of Rates on Māori Freehold Land - these policies detail those circumstances under which the Council will consider the remission or postponement of rates on properties; and
- Infrastructure Strategy - this policy identifies key issues relevant to the provision of infrastructure, the key options for addressing those issues, and the subsequent financial implications for the next 30 years.

1.4 COMMUNITY OUTCOMES

THE COUNCIL'S COMMUNITY OUTCOMES ARE

- Environmental well-being: our unique natural environment is healthy, protected and sustainably managed (also referred to as "Natural environment");
- Social wellbeing: our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed (also referred to as "Human environment");
- Economic well-being: our infrastructure is efficient, cost effective and meets current and future needs (also referred to as "Infrastructure");
- Social wellbeing: our communities are healthy, safe, inclusive and resilient (also referred to as "Community");
- Cultural well-being: our communities have opportunities to celebrate and explore their heritage, identity and creativity (also referred to as "Culture");
- Social wellbeing: our communities have access to a range of social, cultural, educational and recreational facilities and activities (also referred to as "Recreation");
- Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement (also referred to as "Governance"); and
- Economic well-being: our region is supported by an innovative and sustainable economy (also referred to as "Economic").

2 PRINCIPLES OF POLICY

A number of funding sources are available to the Council to fund its activities. This Policy outlines the Council's approach to funding its activities. It provides information on what funding tools are used and who pays, as well as describing the process used to make those decisions.

This Policy should be read in conjunction with the Funding Impact Statement contained in Tasman's 10-Year Plan or Annual Plan (AP). The Funding Impact Statement (FIS) is the mechanism used to

implement the Revenue and Financing Policy and provides detail on how rates are set, including details of the targeted rates, and details of any differentials applied.

As required by Section 101(3) of the Local Government Act 2002 (LGA), the Council uses a two-step process to determine how its funding needs will be met from the various funding sources. The first step is that the Council determines the appropriate level of funding in relation to each activity considering:

i. the community outcomes to which the activity primarily contributes;

ii. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals (referred to as "Who Benefits");

iii. the period in or over which those benefits are expected to occur (referred to as "Period of Benefit");

iv. the extent to which the actions or inactions of particular individuals or a group contributes to the need to undertake the activity (referred to as "Whose act creates the need"); and

v. the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities (referred to as "Rationale for separate funding").

The Council then considers 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 Council considers the impact of rates and rates increases on various types of properties, including residential and lifestyle properties, properties in the rural sector, and business properties with varying ranges of rateable values and services. The level of the Uniform Annual General Charge is one of the "tools" the Council uses to moderate rates movements for rating units. The Council also considers the impact of other charges (e.g. Development Contributions). In applying section 101(3) LGA, the Council has determined the following basic principles to guide the appropriate use of funding sources:

- **Non rates funding**: Subsidies, grants and other income options are fully explored prior to rates funding being used.
- For example: Transportation. The Council is eligible for Central Government subsidies and grants from organisations such as New Zealand Transport Agency (NZTA), Waka Kotahi therefore a proportion of the costs are recouped from this source.
- **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.
- For example: Port Tarakohe. Port users benefit directly from the port's facilities, and they can be held accountable for the costs. Therefore, user charges are the primary funding mechanism used.
- **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.

- For example: the Council uses a fixed targeted rate for kerbside recycling for those properties in a certain area, which is set as a proxy for the refuse-recycling service delivery area.

- **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 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.
    - For example: Civil Defence. Everyone benefits. No individual can be responsible for the costs. Therefore, it is entirely general rate funded.
- **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.
    - For example: Community Facility funding: everyone in the district benefits, and therefore a district-wide targeted rate is set. This is more appropriate than a capital value rate because the degree of benefit from these facilities is the same, regardless of property value.
- **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, 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.
    - For example: Wastewater Supply. Properties serviced by the wastewater network all benefit from the connection and therefore one rate is set for properties with connections, regardless of where in the District the connections exist. Differentials are used to charge non-residential customers who have more than one pan with pans being used as a proxy for use of the network capacity.
- **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.

  - For example: Capital funding for a new community facility. In practice this would be achieved by borrowing at least part of the cost of the asset and repaying the loan over the lifetime of the asset or a shorter timeframe as determined by the Council.

- **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.
- **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.
- **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.

Major assets include but not limited to:

  - Forestry (including unencumbered Emission Trading Scheme (ETS) credits))
  - Commercial property
  - Rental property
  - Community (older adult) housing
  - Community halls and facilities
  - Other land and/or buildings deemed excess to requirements.

3 RATE FUNDING SOURCES

Rates are a property tax and the legislative provisions covering the setting, assessing and collection of rates are prescriptive. Because fixed charges per property result in a regressive tax outcome, Central Government has restricted their use. The Council must not receive more that 30% of its total rates income from the Uniform Annual General Charge (UAGC) and other targeted rates set on a uniform basis (excluding rates for water supply and sewage disposal).

The Council has identified several rating sources under either general or targeted rates. These are detailed in the Council's Funding Impact Statement. In summary, the Council's rating sources are identified as follows:

3.1 GENERAL RATE

This is a major source of the Council's revenue and is used where there is a deemed general benefit for the activity across the entire district, or where it is not economic to fund or collect revenue separately. The Council continues to review its funding policy considering perceived areas of direct or indirect benefit for each activity and any new projects proposed by the Council. 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.

The Council sets a general rate based on the capital value of each rating unit in the District. This rate is set as a rate in the dollar of capital value. Capital value better reflects the level of benefit a property is likely to receive from services than land value.

The Council does not use differentials for the general rate.

3.2 UNIFORM ANNUAL GENERAL CHARGE (UAGC)

This rate is a method of collecting part of the general rate and is charged as a fixed amount per rating unit. It is deemed that properties receive equal benefit for some services they receive, regardless of the rateable value of those properties and, therefore, it is appropriate to charge some of the general rate as a fixed amount through a UAGC so that every ratepayer makes a minimum contribution to the Council's activities. The UAGC can also be used to moderate the level of overall rates changes. The UAGC is set at 15% of the general rate income requirement.

3.3 TARGETED RATES

Targeted rates are also a major source of the Council's revenue. In addition to funding projects that benefit a group of ratepayers, targeted rates may be used to provide certainty of the Council recovering its costs, or where greater transparency in funding the cost of the activity is desirable. The Council has identified targeted rates over the next 10 year period for:

- stormwater;
- water supply including firefighting water supplies and the Wai-iti Valley Community Dam rates. ~~The Hamama Rural Water Supply – Fixed Charge based on set land value rate will end in 2024-2025;~~
- wastewater;
- regional river works;
- Motueka and Richmond business rates;
- Māpua Stopbank (ending 2029-2030);
- various facilities rates (e.g. district facilities, shared facilities, museum facilities etc.);
- Waimea Community Dam;
- Golden Bay and Motueka Community Board rates;
- refuse/recycling;
- Māpua rehabilitation (ending 2027-2028);
- Torrent Bay replenishment; and

- Warm Tasman (ending 2024-2025).

In some situations it is uneconomic to collect the costs of an activity via a targeted rate, in those cases the costs are usually covered by the general rate.

Other funding sources will be set out under the Operating and Capital sections of this Policy.

For planning purposes, the following descriptions are used to express the portion of operating activities represented by a particular operating revenue line:

*Low:	0 to 20%
*Low-Medium:	20+ to 40%
*Medium:	40+ to 60%
*Medium-High:	60+ to 80%
*High:	80+ to 100%

The specified funding source proportions are used in planning the activity and therefore are indicative only. They are not intended as an exact realisable proportion, rather as a guideline. If budgets were marginally outside these ranges, it is unlikely that the Council will consider that matter to have a high degree of significance and therefore warrant a consultation to change this Policy. It is also likely that actual funding sources will differ in proportion from the budgeted funding sources. The proportions are presented at the activity summary level - not at the level of the individual components of an activity.

4 FUNDING OF OPERATING EXPENSES

The Council has made a determination as to the most appropriate way of funding the operating expenses for each activity.

The following section of this Policy sets out each Council activity area and discusses the matters required under Section 101(3) (a) LGA regarding the appropriate source of funding for operating expenses for each activity. It looks at the contribution each activity makes to the community outcomes and how the activity benefits individuals, parts of the community or the whole community. The funding sources are presented as a target range. The actual contribution from each funding source may vary from year to year depending on the relative contributions required for the sub-activities, external grants and subsidies and/or the impact of one-off events.

The Council funds its activity operating expenditure which is recorded in each activity's funding impact statement from the following sources:

- general rates, uniform annual general charges, rates penalties (referred to as "general rates");
- targeted rates;
- fees and charges;
- subsidies and grants for operating purposes (referred to as "subsidies and grants");
- internal charges and overheads recovered; and

- local authorities fuel tax, fines, infringement fees, and other receipts.

Operating expenditure is generally funded on an annual basis. However, exceptions can be made to this approach where there is a multiple year benefit from the expenditure being funded where the costs are significant enough to warrant separate treatment. This is consistent with the intergenerational equity principle. Examples include the Tasman Regional Policy Statement and Resource Management Plan (TRMP) review costs and the Digital Innovation Programme. Additionally, debt funding is effectively spreading costs over multiple years for operating funding for shared facilities owned by Nelson City Council which are jointly funded by Tasman District Council. This is because the funding would have been capital if these assets were owned by Tasman District Council, and this treatment recognises the multi-year benefit of the expenditure consistent with the intergenerational equity principle.

5 ACTIVITIES

We have 12 groups of activities, noting that Support Services are not a 'Group of Activities' for LTP purposes, but cover the remaining services provided by the Council.

We take a holistic approach to rates. Some activities are funded by rates that include both capital and operating components. Some of the commentary in this section will apply to capital as well as operating expenditure.

5.1 ENVIRONMENTAL MANAGEMENT

The Environmental Management activity is responsible for environmental monitoring, reporting and resource investigations to understand our district's resources: minimising inappropriate practices or the incidence of pests and other threats, maintaining and enhancing indigenous biodiversity. The activity is also responsible for development, implementation and ongoing review of a robust policy and planning framework to ensure ongoing sustainable management of our environment and our growing population.

We identify, publicise, and respond to resource management issues and biosecurity risk; protect and enhance our environment, communities, and businesses through policy and planning, including implementing legislative and national policy direction; and administer planning, development, consenting, compliance and enforcement processes.

5.1.1 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our communities are healthy, safe, inclusive and resilient.	We design and implement strategic and planning frameworks that ensure the right development in the right places, and people and homes are not placed where they are at risk to natural hazards. Our processes protect the community's health and well-being by ensuring use of resources and human activities do not degrade quality

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
		of life. We check on this by monitoring recreational bathing water quality for toxic algae, and surveying groundwater resources for drinking water suitability. We also maintain an effective flood warning system, monitor air quality, and identify contamination risk, to ensure safety of people and community well-being, now, and for future residents.
Social Well-being	Our urban and rural environments are people-friendly, well planned, accessible, and sustainably managed.	We work with landowners and the broader community to protect biodiversity, soil, and water sustainability, including the use of targeted spending to ensure effective riparian and waterway management on farms, using education to encourage responsible environmental behaviours and act when rules are breached. Consent approvals for the development and use of the environment, promote sustainable management of natural and physical resources. Where necessary, we will impose and monitor conditions to minimise any unfavourable impact on the environment and resources. We strategically plan growth so our communities' living environments are appropriate in location and scale, are pleasant, safe, and sustainably managed, and the activities of others do not adversely impact on them. This allows current and future generations to continue to enjoy and access our natural environment. We monitor and investigate the state of our environment and identify trends, risks, and pressures our environment faces, particularly in relation to land, soils, water, air and the coast. We use natural hazards and contamination risk information to make better decisions and ensure we can meet future needs in our District's planning.

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
		We work to educate people and provide information to enable more sustainable and resilient living.
Social Well-being	Our communities have access to a range of social, cultural, educational, and recreational facilities and activities.	Our planning and consenting processes set up a framework that provides for recreational opportunities when land is subdivided. New developments are designed to provide social infrastructure and opportunities for connection; this helps prevent social isolation. We have a recreational bathing water quality network and cyanobacteria monitoring programme to ensure waterbodies are suitable for use and limits inappropriate development of valued spaces. We take an advocacy role to promote environmental awareness in the community and we take action when the rules that are laid out in resource consents are not adhered to.
Economic Well-being	Our region is supported by an innovative and sustainable economy.	Policies, plans, models, and resource information helps us identify opportunities, and potential hazards and constraints. This helps with ensuring economic development in the use and development of resources, benefit current and future, generations. Our land and sea biosecurity activities protect primary production activities from pests that could damage our economy. Development approvals can facilitate economic development opportunities. Compliance monitoring assists with ensuring the integrity of the regulatory framework. We actively encourage people to adopt best practice in relation to their use of land, water, air, and the coastal resources.
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	Our effective resource planning processes help other Council activities meet this community outcome. This assists with ensuring appropriate and efficient

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
		infrastructure is provided to meet the demands of our communities. We make hazard information available to promote best practice design, development, and use of important utility services. We provide a highly valued, district-wide telemetry linked network. This allows us to measure and understand the quality of our environment and to manage the quantity of the water resources available for allocation.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed.	We develop and review strategies, policies and plans, and design guides that maintain and improve our environment, promoting sustainable management of our natural and physical resources. We monitor and regulate activities that could, over time, put pressure on our environment and resources, and take preventative action through a spectrum of actions that range from education and enforcement. We engage with iwi and the community at the local catchment and regional scale and advocate for initiatives that will maintain and enhance our natural and productive landscape.
Cultural Well-being	Our communities have opportunities to celebrate and explore their heritage, identity, and creativity.	Our planning framework is designed to assist with protecting and enhancing desired community outcomes, ensuring that identified heritage buildings, iconic landscapes, important sites to iwi and of significance to our District, are considered when planning decisions are made. We work with landowners to enhance biodiversity, helping to protect our natural heritage values.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and	We provide opportunities for public participation in the processes of developing and administering strategies, policies and plans under the Resource Management and Biosecurity Acts. We actively seek to work

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
	encourages community engagement.	with our partners, stakeholders and communities. We aim to work in partnership with iwi. Our relationship continues to evolve. We are committed to increasing the capability and capacity of the iwi of Te Tau Ihu to engage in policy and plan development. We work in partnership when developing policies and plans. For example, the Kotahitanga mo te Taiao partnership with top of the south iwi, Department of Conservation (DOC) and councils demonstrates leadership across boundaries. We encourage 'best management practices' in productive landscapes, and work with community networks to help fulfil these responsibilities. We make information and advice available to applicants, landowners and community groups to help them make sound decisions. We advocate to central government and other public agencies where their actions will impact on the interests of our District.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
Environmental management is about safeguarding and protecting the environment while encouraging sustainable resource use over time. There is some private benefit of this activity to applicants and exacerbators (e.g. resource consents/private plan change requests/ Housing and business land developers), permit holders (e.g. resource consents), or beneficiaries (fees/gravel and shingle extraction and Nelson City Council (NCC) when we are asked to provide regional functions on their behalf). There are also	Immediate through to long term (e.g. ongoing positive environmental outcomes).	A large portion of the activity is of public benefit, meaning user charging is not feasible for a significant part of this activity. Identifying separate funding where practical assists in the accountability and transparency of the Council's costs on this

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
national planning instruments (e.g. National Environmental Standards (NES) - Freshwater) which impose a need for inspections and sampling of private activities from which recoveries may be made. Environmental policies and plans, including the Nelson Tasman Future Development Strategy and TRMP, are statutory documents required by legislation to provide for urban growth and promote the sustainable management of the District's resources and manage the consequences of activity on the environment and therefore benefit the District as a whole. However private benefit arises for those who have undertaken private plan change requests. The Council's environmental information function provides information on the state of the environment, on the risks to environmental values, and on environmental trends. The information assists well-informed decision-making and planning which promotes a better environment and the sustainable use and development of resources, to the benefit of the community. The management of pests is essential for the District's prosperity, environmental sustainability and health. Successful resource consent applicants are able to use resources. The compliance function benefits all in the District, resulting in a clean, healthy environment. Permit or consent holders obtain the benefits arising from holding authorisations and create a need for the compliance function. Warm Tasman Homes specifically benefits properties who have had insulation or heat pumps put into their properties.		activity.

FUNDING SOURCES AND RATIONALE

This activity is largely public good. While private interest will benefit from the Council's services, it is not always possible to differentiate benefits to the public generally, in which case general rates fund the activity.

The ability to charge beneficiaries makes user charging, and to a lesser extent targeted rates, feasible for some streams of the activity (e.g. Section 36 charging via the Resource Management Act).

In addition, there is sometimes scope for government funding particularly where the Council can use some rates income to leverage these funds.

Exacerbators such as those incurring infringements are also feasible to charge as are other parties who may cost share with the Council and these are recorded in "local authorities fuel tax, fines, infringement fees, and other receipts".

*General rates: Medium-High

*Fees and charges: Low

*Local authorities fuel tax, fines, infringement fees, and other receipts: Low

*Targeted rates including Warm Tasman and Māpua Rehabilitation: Low.

Note: Māpua Rehabilitation spend is considered to be of general benefit to the public in the whole district - but without a relationship to the values of property, therefore a uniform targeted rate is considered appropriate.

*Subsidies and grants: Low.

5.2 PUBLIC HEALTH AND SAFETY

We contribute to the sustainable development of our District and the safety and well-being of our communities. We ensure that actions, or non-actions, taken by the people in our District are lawful, sustainable and safe. We enable people to carry out activities without affecting their, or others', safety. We also respond to central government legislation.

5.2.1 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our communities are healthy, safe, inclusive and resilient.	We protect our community's health and well-being by ensuring standards are met for construction, food safety, and registered premises operation. We also respond and enforce alcohol sale and consumption, and dogs and stock, so as not to adversely affect our community's quality of life. Our civil defence and emergency management system promotes safety of people and a resilient community.

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
		We ensure recreational boating is safe, keeping Tasman special.
Social Well-being	Our urban and rural environments are people-friendly, well planned, accessible, and sustainably managed.	We ensure buildings are well constructed, safe, and weather-tight, leading to living environments that are people-friendly, and accessible to all. Consent approvals for the development and use of the environment, promote sustainable management of natural and physical resources. Where necessary, we will impose and monitor conditions to minimise any unfavourable impact on the environment and resources.
Economic Well-being	Our region is supported by an innovative and sustainable economy.	The quality of our regulatory practices positively impacts to the economic well-being in our communities. Compliance monitoring can ensure fair and equal opportunities for all.
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	We ensure that time-restricted parking facilities are available for the public to access urban retailers and services.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed.	We have an effective education and dog control programme, limiting negative effects on native fauna. We remove abandoned vehicles, preventing damage to our environment. Compliance monitoring can ensure fair and equal opportunities for all.
Cultural Well-being	Our communities have opportunities to celebrate and explore their heritage, identity, and creativity.	We provide safety support to events, such as waka racing and classic boats, assisting the communities to hold safe events.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional	We encourage residents to make civil emergency preparations, including arrangements to cope in the face of climatic or natural hazard events.

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
	perspective, and encourages community engagement.	We work with Maritime NZ to provide a maritime oil response service.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
There is a significant private benefit of this activity to applicants and exacerbators (e.g. building consent, LIM applicants, dog owners, sale of liquor applicants, commercial maritime license holders, food premises/food stalls, etc.) The setting and enforcing of standards provides public health and safety for the wider community, meaning this activity has some public benefits. There is also a large private benefit via this activity to applicants and exacerbators (e.g. resource consents/private plan change requests/ Housing and business land developers), permit holders (e.g. resource consents), or Nelson City Council (NCC) for regional functions). There are also national planning instruments (e.g. National Environmental Standards (NES) - Plantation Forestry) which impose a need for inspections and sampling of private activities from which recoveries are made. The community benefits from emergency management from the maintenance of a response capability and knowledge of hazards, and measures to mitigate and contain harmful events. Successful resource consent applicants can use resources. The compliance function benefits all in the district, resulting in a clean, healthy environment. Permit holders obtain the benefits arising from holding permits and create a need for the compliance function.	Immediate through to longer term (e.g. from the construction of safe buildings).	Identifying separate funding assists in the accountability and transparency of the Council's costs on this activity, where possible and appropriate A portion of the activity is of public benefit, meaning user charging is not always feasible.

FUNDING SOURCES AND RATIONALE
This activity has a significant scope for directly charging either exacerbators or parties who benefit

and for this reason fees and charges will be a significant revenue source.

The ability to charge applicants, permit holders, owners of forests being harvested, or beneficiaries makes user charging, and to a lesser extent targeted rates, feasible for some streams of the activity (e.g. Section 36 charging via the Resource Management Act).

There is also public benefit in providing public health and safety generally (e.g. identifying earthquake prone buildings, providing safe navigation on coastal waters, preventing food contaminations and community risks from addiction to liquor and gambling) which means general rates are an appropriate funding source. It is also not practical to identify and charge all those who receive advice, these costs will be funded by general rates.

There may also be some opportunity for external funding from time to time and if so it will be utilised.

Fuel excise duty refund, building control infringements, parking infringements, bylaw infringements, and animal control infringements are recorded as "local authorities fuel tax, fines, infringement fees, and other receipts."

*Fees and charges: Medium to Medium-High
*General rates: Low-Medium
*Subsidies and grants: Low
*Local authorities fuel tax, fines, infringement fees, and other receipts: Low.

5.3 TRANSPORTATION

We manage a Transportation Network that has approximately 1,751 km of roads; (967 km sealed and 784 km unsealed), 494 bridges (including footbridges); 423 km of footpaths, walkways and cycleways; 22 off street carpark areas; on-street car parking; streetlights; traffic signs; culverts; and Tasman's Great Taste Trail.

This activity includes other transportation related services, for example, transport planning, road safety, and public transport services like the eBus service and Total Mobility Scheme. These activities help to enable the movement of people and goods throughout our District and line up with the Regional Land Transport Plan's objectives.

5.3.1 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our communities are healthy, safe, inclusive and resilient.	We provide a safe and resilient transport network, including active recreation, which has associated health benefits. A reliable transport network also allows for emergency services to safely get to people in need.
Social Well-being	Our urban and rural environments are people-friendly, well planned,	We aim to provide a transportation network that is safe to use and accessible to all. Our road network is the backbone

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
	accessible and sustainably managed.	of our District and connects people to places.
Social Well-being	Our communities have access to a range of social, cultural, educational and recreational facilities and activities.	Our transport network enables the community to travel to their social, educational, and recreational activities.
Economic Well-being	Our region is supported by an innovative and sustainable economy.	Our transport system is operated in an effective and efficient way to meet the needs of residents and businesses. The road network is critical to the movement of goods which enables our economy to thrive and grow.
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	We weigh up the immediate and long term costs and benefits when making investment decisions for the transport network. This enables us to meet the needs of the current and future users and communities.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed.	We minimise the effect on our natural environment with routine road sweeping, sump cleaning, and litter removal. We consider land use and sustainability in transport planning.
	Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement.	We provide an integrated transport network with our partner, Waka Kotahi, as well as our neighbours, NCC and Marlborough District Council. Together we also prepare Regional Land Transport Plans that are aligned across the Top of the South.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
Users create the need for infrastructure and maintenance. The benefits apply in part to the whole community, as people are free to use any public road, footpath, and cycleway in the district. The Council receives subsidies from Waka Kotahi that are funded through petrol taxes and road user charges which relate to individual users. Some properties are owned for potential future development. These houses which are being rented and areas that are being occupied, are of direct benefit to the party renting or occupying. There are also direct beneficiaries or exacerbators in some parts of this activity (e.g. access crossings, road openings) etc. Development does create demand on Roading - see section four in this document on capital.	Ongoing benefits if infrastructure is maintained.	A significant portion of the activity is of public benefit, meaning user charging is not feasible for much of this activity. Identifying separate funding assists in the accountability and transparency of the Council's costs on a minor part of this activity.

FUNDING SOURCES AND RATIONALE

Subsidies from New Zealand Transport Agency/Waka Kotahi and petrol tax contributions are utilised as revenue source in this activity, and there are some opportunities for user and other charges, such as rental houses/road openings/access crossings, however the bulk of the benefit is considered to be public as it would be too difficult to charge each individual road user and all users can use the infrastructure. However, the Council may choose to charge users for carparking as users of motor vehicles create direct costs on the Council for providing and maintaining public cark parking.

Other income such as petrol tax income, and rental income are recorded as "local authorities fuel tax, fines, infringement fees and other receipts" as are any other contributions from parties who may cost share with the Council.

*General rates: Medium-High

*Subsidies and grants: Low-Medium

*Local authorities fuel tax, fines, infringement fees and other receipts: Low

*Fees and charges: Low.

5.4 COASTAL ASSETS

We own, provide, maintain, and improve coastal assets (wharves, jetties, boat ramps, associated buildings and foreshore protection walls) on behalf of our ratepayers, as well as provide navigational aids to help safe use of coastal waters. As part of the Coastal Asset's activity, we protect our property and work with the community on private property.

Some of the assets managed by this group of activities include:

- ownership and management of wharves at Riwaka, Motueka and Māpua;
- jetties, boat ramps, navigational aids and moorings;
- coastal protection works at Ruby Bay and Mārahau; and
- navigation aids associated with harbour management.

Note: Port Tarakohe is not a part of this group of activities. It is included in the Council Enterprises activity.

5.4.1 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our communities are healthy, safe, inclusive and resilient	Coastal assets provide recreational opportunities to improve health and well-being. Coastal protection assets and services endeavour to provide a level of protection for residents and contribute to a level of community resilience from storm events.
Social Well-being	Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed	We ensure our built environments are functional, pleasant and safe. Coastal assets are operated without causing public health hazards and provide attractive recreational and commercial facilities.
Social Well-being	Our communities have access to a range of social, cultural, educational and recreational facilities and activities	Where appropriate coastal protection seeks to preserve or at least manage the impact of erosion and sea level rise related impacts on reserves and other reactional activities for the benefit of our whole community.
Economic Well-being	Our region is supported by an innovative and sustainable economy	Tourism is, and will continue to play, a large part in our District. Access to the water and to recreational/commercial activities will be key to its continued growth.
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs	We provide commercial and recreational facilities to meet community needs at an affordable level, contributing to the growth

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
		and prosperity of our District. The facilities are also managed sustainably.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed	We manage coastal assets so their impact does not affect the health and cleanliness of our environment. Our level of intervention will necessarily need to adjust as sea level rise and increasingly energized weather systems exacerbates impacts on the coast.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement	We provide expertise and guidance to our communities to assist with problems along our coastal environment.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
This public activity predominantly benefits members of the public who have the ability to utilise wharves, jetties, boat ramps etc. Residents in the Māpua/Ruby Bay areas who have properties protected by stop banks benefit from the protection, and properties in Torrent Bay benefit from beach replenishment.	Ongoing benefits if infrastructure is maintained	A significant portion of the activity is of public benefit, meaning user charging is not feasible for much of this activity. Identifying separate funding assists in the accountability and transparency of the Council's costs for part of this activity.

FUNDING SOURCES AND RATIONALE

Structures can be used by the community as a whole and therefore it is appropriate for them to be funded by the general rate. One of the Council's community outcomes is to provide recreational facilities, which means full user charging for use of these facilities is not considered appropriate. It would also be impractical to administer user charges on these types of facilities.

For individual properties which significantly benefit from asset protection or replenishment, targeted rates will be used. Differentials will be used for Torrent Bay as it is considered that those that are closer to the foreshore benefit more.

*General rates: Medium-High to High

*Targeted rates including Torrent Bay and Stop Bank Rates: Low to Low-Medium

*Local authorities fuel tax, fines, infringement fees and other receipts: Low.

5.5 WATER SUPPLY

Water is a fundamental community requirement. We provide potable and non-potable water to about 13,600 properties (approximately 30,000 people) throughout Tasman District. About 55% of our population is serviced by one of our managed community water supplies.

Our water supply services include:

- on demand metered supply – no restriction is placed on the supply and the urban property has a meter;
- restricted supply – a set amount of water per day is made available to the property (this typically occurs on our rural schemes and urban extensions);
- firefighting capacity – our supply meets the firefighting water supplies (FW2) standard to our urban metered supply areas;
- capture, storage, and release of water from the Wai-iti Community Dam (provides supplementary flow to Wai-iti River); and
- an investment in conjunction with Waimea Irrigators Limited, in the Waimea Community Dam (WCD) water augmentation scheme.

We own and/or operate 20 water supplies and manage associated infrastructure. Water supplies include Brightwater, Collingwood, Dovedale, Eighty-Eight Valley, Hamama, Kaiteriteri/Riwaka, Māpua/Ruby Bay, Motueka, Murchison, Pōhara, Redwood Valley 1, Redwood Valley 2, Richmond, Tākaka, Tapawera, Upper Tākaka, Best Island, Wai-iti Community Dam, 51% of WCD and Wakefield.

In addition to water supply schemes, we manage the Wai-iti storage dam to provide supplementary water into the Lower Wai-iti River and its adjoining aquifer. This enables continued water extraction for land irrigation at times of low river flows. We are a majority shareholder in the WCD. ~~The WCD is currently under construction and is anticipated to be completed in the first half of 2024. Once operational,~~ T~~t~~he WCD ~~will~~ delivers a secure water source into the Waimea River (and related aquifers) and will ensure a sustainable source of water for our community's water supplies in the long term.

5.5.1 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our communities are healthy, safe, inclusive and resilient	We aim to provide water supplies that are safe to drink and used for firefighting purposes that are delivered and supported by resilient infrastructure.
Social Well-being	Our urban and rural environments are people-friendly, well planned,	We consider water supply to be an essential service to our communities, and our schemes are designed to be efficiently managed to meet current and future

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
	accessible and sustainably managed	needs. Our networks also provide a means for firefighting consistent with the national firefighting standards.
Social Well-being	Our communities have access to a range of social, cultural, educational and recreational facilities and activities	Water is an essential service that underpins other facilities and activities, as well as contributing to recreational opportunities, e.g. active and passive
Economic Well-being	Our region is supported by an innovative and sustainable economy	We provide water for our businesses and residents to function. We aim to provide sustainable supplies that are built for the future.
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs	We aim to efficiently provide water to meet the demands of existing and future customers in a cost-effective way.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed	All of our water schemes take water from our environment (via surface water or groundwater) and require a resource consent. We aim to manage water takes so the impact is not detrimental to our surrounding environment.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement	We take opportunities to partner with Nelson City Council. For example, we supply water to residents near Saxton Field and the Whakatū Industrial Park. In performing certain functions we must give effect to Te Mana o te Wai, the holistic well-being of the water.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
All who can access the benefits of the water supply, including firefighting capacity, benefit from this activity. This includes water supply users in the Nelson City area who are supplied water by Tasman District Council. The beneficiaries of the community water supplies in the Waimea Basin	Ongoing benefits as long as infrastructure is maintained	Identifying separate funding assists in the accountability and transparency of the Council's costs for much of this activity.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
would directly benefit from the increased water security associated with the Waimea Community Dam. The Council considers that the Wai-iti Dam and the Tākaka Firefighting water supply are of benefit to the entire district. The public benefits from investment in the Waimea Community Dam through the environmental, economic and the community. These benefits would include additional employment, economic opportunities, social, cultural, and recreational benefits. Irrigators and rural water users in the area serviced by the Waimea Community Dam benefit from the improved security of supply the Dam creates and the increased water allocation volumes it provides. The public benefits from the affordability of drinking water and the community outcomes the provision of water provides. Development does create demand for water - see section four in this document on capital; this includes the funding for the Councils' investment in the Waimea Community Dam.		A portion of the activity is of public benefit, meaning user charging is not feasible for this part.

FUNDING SOURCES AND RATIONALE

The benefit of funding drinking water supply activities separately from other Council activities is that those currently connected or planning to be connected to schemes will be contributing to the funding. The Council predominantly applies targeted rates and user charges for these activities for accountability and transparency to those who fund the schemes.

These include: The Urban Club Water Supply and its Rural Water Extensions, the Motueka Urban Water Supply, the Dovedale Rural Supply, the Redwood Valley Rural Water Supply, the Eighty-Eight Valley Rural Water Supply, and the Hamama Rural Water Supply.

Tasman District Council supplies water to certain water users in the NCC area and to NCC as well as some large industrial users. Revenue is recovered from these either directly or through NCC, and through fees and charges.

Water users of the Wai-iti Valley Community Dam also benefit from the supply of water and are charged based on the amount of water they can take under their consent.

The firefighting water supplies in Motueka, and Tākaka townships are also of benefit to those communities. These are predominantly charged through fixed targeted rates, however in the case of the Tākaka Central Business District who benefit the most from that small supply - they are charged based on capital value. The amount charged to residential customers in Tākaka is also higher than the rest of the Ward, as being more proximate to the supply, they receive a greater benefit.

For the Wai-iti Dam, and the Tākaka firefighting supply - the Council had determined there was a general benefit to the district and therefore partial general rate funding is used.

The existing fees/charges for the provision of water supply to the Council's three rural water supply schemes (Dovedale, Eighty-Eight Valley and Redwood Valley) are unaffordable and unsustainable into the future. Further work therefore is required to assess the financial implications of harmonising the way some, or all the water schemes are funded. ~~A proposal and consultation are to be carried out during the 2024/2025 year, with the intention of any new funding changes could commence 1 July 2025.~~ Any changes to the funding of these water schemes will be addressed by the in-house Business Unit once operational.

The Waimea Community Dam is considered to benefit both water users, including irrigators, and the public.

The allocation of costs to the main beneficiaries of the Waimea Community Dam is:

- 49% to Irrigator extractive use capacity
- 21% to the urban water supplies (including Redwood Valley Rural Water Supply etc.); and
- 30% to environmental, economic and community benefits.

5.5.2 Irrigator Extractive Use Capacity

Irrigator extractive use capacity refers to the potential irrigator volume of water that can be extracted. This is separate to the capacity assigned to water extraction for the urban water supplies and the allocation of costs for environmental, economic and community benefits.

The first $3 million of project cost overruns are being funded 50/50 by Irrigators and the Council. The Council is funding its share of this through the Water Account (see next section), the Waimea Community Dam-Environmental and Community Benefits ZOB Rate, and through the Waimea Community Dam-Environmental and Community Benefits District Wide Rate.

Funding costs for 48.9 % of the remaining cost overruns are being met by irrigators through the water charges to Waimea Irrigators Ltd (WIL) by Waimea Water Ltd (WWL). Until 1 July 2026 the Council is assisting irrigators by meeting the interest costs on $10.14 million of that debt. That support is funded through the General Rate.

5.5.3 Council Extractive Use Capacity

The Council's extractive use capacity of 21.1% is funded through the water account (i.e., the Urban Water Club and the Redwood Valley Rural Water supply and other users).

Waimea Water Ltd operating costs are allocated 51% to the Council, and 49% to Waimea Irrigators Ltd. This allocation is unaffected by the capital cost allocation for the Dam.

Waimea Water Ltd owns and operates the Waimea Community Dam on behalf of its shareholders. The Council owns a majority interest in Waimea Water Ltd with the remainder of the shares owned by Waimea Irrigators Ltd.

5.5.4 Environmental, Economic and Community Benefits

The Council is funding the 30% of the project's cost allocated to environmental, economic and community benefits through:

- the Waimea Community Dam-Environmental and Community Benefits ZOB Rate, for more proximate properties represented by an area called the "Zone of Benefit", and
- the Waimea Community Dam-Environmental and Community Benefits District Wide Rate (District Wide Rate).

In determining which properties fall within the Zone of Benefit (ZOB), the Council has included properties in the Waimea area with water available or supplied from the river and aquifers of the Waimea Plains, as well as considered proximity to where more direct benefits would be achieved from the Dam such as additional employment, economic opportunities, social, cultural and recreational benefits. The extra funding by the properties in the ZOB recognises that properties further from the Dam, such as Collingwood or Murchison, will not receive the same level of environmental, economic and community benefits as the more proximate communities such as Richmond and Brightwater.

5.5.5 Water Supplies

There is a direct benefit to users of the community water supplies in the Waimea basin as the Waimea Community Dam (WCD) provides additional water security. A portion of costs from the WCD have been allocated to the Urban Water Club (water account) and the Redwood Valley Rural Water supply and other users and are recovered from water users through water rates or charges.

5.5.6 Defaults

The Council may introduce a targeted rate based on land value to all properties with access to water supplied via a consent affiliated through a shareholding in WIL, in the event of any default on loans or security arrangements for the WCD Joint Venture Council Controlled Organisation (WWL).

5.5.7 Sunk Costs

Sunk costs incurred that were not recovered as part of the project joint venture are funded from the same environmental, economic and community benefits and water supply funding mechanisms as the Council's share of the project's costs.

5.5.8 Further Cost Overruns

The current funding arrangements provide for a project cost of up to $198.2 million. If further cost overruns occur, the Council may introduce a targeted rate based on land value to all properties with access to water supplied via a consent affiliated through a shareholding in Waimea Irrigators Limited, to recover the additional funding cost for the irrigator capacity in the Dam.

The Council is funding all the environmental, economic and community benefits and water supply cost overruns using the same rating mechanisms as are currently used to fund the Council's share of the project's costs.

Some water targeted rates are set differentially.

As an interim measure, the Council has allocated some general rates funding into some of its Rural Water supplies from 2021-2022 as a result of substantial cost increases in these small supplies that have created affordability issues. The funding allocated results in more affordable targeted water rates for those rural water users, and the increase is small to the general ratepayer base due to the large number of ratepayers in the district compared to the quite small number of ratepayers connected to the Rural Water supplies. The Council has likewise allocated some general rate funding for the Waimea Community Dam in relation to irrigator extractive use capacity capital cost overruns. The 'local water done well' reforms may ultimately change how water supplies across the country are operated and funded.

*Targeted rates: High

*Fees and charges: Low

*Local authorities fuel tax, fines, infringement fees and other receipts: Low

*General rates: Low.

3.6 WASTEWATER

We provide and manage wastewater collection, treatment, and disposal facilities for our residents connected to our eight wastewater networks. These networks convey wastewater to eight treatment plants, seven of which we own and manage. The largest treatment plant (Bell Island) is owned by both Nelson and Tasman Councils on a 50/50 share basis and is managed by the Nelson Regional Sewerage Business Unit (NRSBU).

5.5.9 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our communities are healthy, safe, inclusive and resilient	We aim to provide a service that is safe for our communities. We provide quality treatment, minimise overflows, and ensure our infrastructure is resilient. We ensure wastewater is collected and treated without causing a hazard to public health or unpleasant odours.
Social Well-being	Our communities have access to a range of social, cultural, educational and recreational facilities and activities	Wastewater is an essential service that supports other facilities and activities.
Economic Well-being	Our region is supported by an innovative and sustainable economy	Wastewater supports our regional economy by providing and managing wastewater collection, treatment, and disposal. Sustainability is a key driver of our future planning.

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs	We consider the wastewater activity to be an essential service that should be provided to properties within the urban areas and be sufficient in size and capacity.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed	All wastewater in Council-owned schemes is treated and discharged into our environment. We sustainably manage this, so the impact of the discharges does not adversely affect the health and cleanliness of the receiving environment.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement	We have a regional partnership with NCC for the management of the NRSBU. We collaborate with iwi and site neighbours to identify issues and concerns; and when the opportunity arises, engage with communities for facility open days and plantings days.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
Those who are or will be connected to the wastewater schemes benefit from the ability to use the infrastructure. Those who discharge commercial and industrial waste (called "Trade waste") through the wastewater system (e.g. restaurants, service stations etc.) put extra demands on the wastewater treatment plant and can be harmful to people and the environment, corrode or block sewer pipes, or create odours. Those who directly damage the infrastructure cause the need for repairs. Development does create demand for wastewater- see section four in this document on capital.	Ongoing benefits if infrastructure is maintained	Identifying separate funding assists in the accountability and transparency of the Council's costs for much of this activity.

FUNDING SOURCES AND RATIONALE

While there are wider community and environmental benefits relating to wastewater collection, treatment and disposal, the primary benefit is to those connected. The Council considers that those who are connected to the wastewater schemes should be responsible for funding expenditure to ensure the environment is protected from the waste they produce. The Council, therefore, considers that fees and charges, and targeted rates are the most equitable form of funding these activities. The Council considers that those with a greater call on the infrastructure should pay more and therefore a differential will be used. Commercial users who generate trade waste will be separately charged through fees and charges.

Tasman District Council supplies wastewater services to certain properties in the Nelson City Council area. Revenue is recovered from these customers through fees and charges.

The Bell Island wastewater treatment plant is owned by both the Nelson City Council and the Tasman District Council and is managed by the Nelson Regional Sewerage Business Unit (NRSBU). The Council records its share of this joint venture revenue as Council revenue in the "local authorities, fuel tax, fines, infringement fees and other receipts" line, as is interest on a loan that the Council has provided to the NRSBU.

*Targeted rates: High

*Local authorities fuel tax, fines, infringement fees and other receipts: Low

*Fees and charges: Low.

3.7 STORMWATER

The stormwater activity provides stormwater collection, reticulation, and discharge systems in our district on behalf of our residents. The assets used to provide this service include drainage channels, piped reticulation networks, tide gates, detention or ponding areas, inlet structures, discharge structures and quality treatment assets.

Generally, stormwater sumps and road culvert assets are owned and managed by the Waka Kotahi or our transportation activity, depending on its location (local roads or state highways). This stormwater activity does not include land drains or river systems, the specific streams and river sections that we maintain are listed in our flood protection and rivers control works activity. Nor does it cover stormwater systems in private ownership.

We manage the stormwater activities primarily within 15 Urban Drainage Areas (UDAs). Systems that are outside the UDA's include small communities with stormwater systems that primarily collect and convey road run-off to suitable discharge points.

5.5.10 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our communities are healthy, safe, inclusive and resilient	Our priority is to safely transfer stormwater runoff through urban areas to minimise harm and property damage.

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
		We also capture and convey rainfall away from urban areas and roads so that people can move safely throughout our communities during wet weather.
Social Well-being	Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed	We convey stormwater without putting the public at risk or damaging property, businesses, or essential infrastructure. We ensure urban areas remain accessible by capturing and conveying rainfall.
Social Well-being	Our communities have access to a range of social, cultural, educational and recreational facilities and activities	We take opportunities to provide multi-purpose facilities where possible. Our urban streams convey stormwater towards the coast and are ecological corridors that are enjoyed by our communities from the cycle paths and recreational spaces that often run along them.
Economic Well-being	Our region is supported by an innovative and sustainable economy	Our stormwater system supports the economy by enabling homes and businesses to exist with a low exposure to flood risk and damage. We consider climate change in our designs to provide adequately for the future.
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs	We provide properties within urban drainage areas with appropriate stormwater system size and capacity. Our stormwater infrastructure provides best value for ratepayers' money.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed	We manage stormwater so that the impact of any discharges does

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
		not adversely affect the health and quality of the natural environment.
Cultural Well-being	Our communities have opportunities to celebrate and explore their heritage, identity and creativity	We protect natural waterways that have high cultural, recreational, and biodiversity interests.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement	We engage with tangata whenua, iwi and community groups to enhance our natural waterways and education programmes. New developments take a water sensitive design approach to integrate multiple values such as ecology, amenity, and cultural aspects.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
The entire community benefits from safe and efficient discharge of stormwater. Some ratepayers receive a greater benefit from stormwater infrastructure than others or cause the need for stormwater infrastructure. The Council uses an area called the Urban Drainage Area (UDA) to represent the primary beneficiaries and exacerbators for the stormwater infrastructure, being mostly those who live in urban townships supported by the infrastructure. Some properties are owned for potential future development by the Council, and these houses which are being rented and areas being occupied are of direct benefit to the party renting or occupying. Development does create demand for stormwater - see section four in this document on capital.	Ongoing benefits if infrastructure is maintained	Identifying separate funding assists in the accountability and transparency of the Council's costs for much of this activity.

FUNDING SOURCES AND RATIONALE

While there are wider community and environmental benefits of a stormwater system, the Council considers that properties in the area of the stormwater infrastructure (UDA) should be responsible for funding more of the costs and therefore a targeted rate differential is used.

The Council considers that there is a greater benefit for properties which are developed over those which are undeveloped, which is why capital value is used as the basis for charging the targeted rate.

Any other contributions from parties who may cost share with the Council is recorded in "local authorities fuel tax, fines, infringement fees, and other".

*Targeted rates: High

*Local authorities fuel tax, fines, infringement fees, and other: Low

3.8 WASTE MANAGEMENT AND MINIMISATION

We provide and promote the following waste management and minimisation services:

- kerbside recycling and waste collection services;
- a materials recovery facility (MRF) to process recycling;
- five resource recovery centres, which receive waste, recyclables, clean fill, green waste and some hazardous materials – at Richmond, Māriri, Tākaka, Collingwood and Murchison;
- drop off facilities for green waste and processing, through a contracted service;
- transport services to move these materials around our district; and
- a range of waste minimisation initiatives with schools, businesses, and the wider community, to reduce the production of waste and minimise harm.

These services operate alongside commercial services across the Nelson-Tasman region.

Most public and commercial waste disposal is through our resource recovery centres, and we transfer waste from these centres to landfill. We divert recyclable materials, green waste, and clean fill away from landfill, and our contractors process and sell this waste. We also recover hazardous materials at these sites and ensure that they are processed safely.

The Nelson-Tasman Regional Landfill Business Unit (NTRLBU) is governed by a joint committee of Nelson City Council (NCC) and Tasman District Council, and operates a regional landfill at York Valley, in Nelson, and manages the Eves Valley Landfill, near Brightwater, which closed in 2017. We maintain a further 22 closed landfills around our district.

In the coming years, together with NCC, we plan to reduce waste to landfill by increasing diversion of dry waste and organic materials and promote waste reduction. This diversion could be delivered by the councils directly or through commercial/community partnerships.

5.5.11 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed	Rubbish and recycling collection services ensure our built urban and rural environments are functional, pleasant and safe. Our resource recovery centre facilities are convenient, clean and safe. We promote the sustainable use of resources and provide sustainable alternatives to landfill disposal.
Economic Well-being	Our region is supported by an innovative and sustainable economy	Our resource recovery centres provide sustainable waste disposal options for our Region. Together with Nelson City Council we work with our communities - including iwi, businesses, schools, social enterprises, and key sectors (e.g. construction) - to provide and enable waste minimisation services
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs	We operate our facilities and services safely and efficiently. We have contingency plans and design our facilities so that essential services are able to continue during emergency events. We plan to provide waste and recycling services that our community is satisfied with, now and for the future.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed	We protect our natural environment by providing and enabling waste disposal services for our communities. We reduce the impact of landfill disposal by providing and enabling a wide range of other services to divert waste from landfill and reduce waste production. Our facilities comply with resource consents, and we ensure that we have operational plans for our services and

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
		site management plans for the facilities we operate. We provide services to manage illegal dumping on public land and manage closed landfills across the district.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement	We work with NCC to promote waste minimisation actions and to provide regional services, including the Whakaarohia Rethink Waste programme. We advocate to central government for more sustainable waste management practices. Through our Rethink Waste programme, we promote waste minimisation actions that council can take to 'walk-the-talk' (e.g. through events and procurement). Our Joint Waste Management and Minimisation Plan 2019 with NCC references Kaitiakitanga as one of the seven principles to guide the Plan's implementation and recognises iwi across the region as kaitiaki. We are working to improve our engagement with iwi as part of the next review of the Waste Plan and continue to develop relationships across the community on waste minimisation initiatives.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
The entire community benefits from waste management and minimisation activities. Safe and efficient waste disposal and resource recovery activities support economic activity, protect the environment and provide a public health benefit.	Immediate to ongoing	Identifying separate funding assists in the accountability and transparency of the Council's costs for much of this activity.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
Properties on the kerbside collection route benefit from the ability to have waste and recycling collected, with those who opt in for additional recycling bins or crates receiving a greater recycling service than those who receive one bin. Those that purchase rubbish bags benefit from the disposal of this waste. Purchasers of replacement bins or crates benefit from the use of the bin or crate. Users of the facilities benefit from waste disposal and waste minimisation services.		A portion of the activity is of public benefit, meaning user charging is not practical for this portion.

FUNDING SOURCES AND RATIONALE

User charges are possible in many of the streams for this activity where direct users can be identified and charged (e.g. rubbish bag sales, resource recovery centre users, replacement bins and crates etc.).

In waste disposal and resource recovery (recycling and green waste disposal) the Council fully recovers the cost of processing, transport and disposal, particularly in outlying resource recovery centres from users and income from the Nelson Tasman Regional Landfill Business Unit (NTRLBU).

Maintenance of legacy closed landfills, hazardous goods and clearance of illegal dumping are considered a public good and funded from the general rate and income from the NTRLBU.

The Council uses a fixed targeted rate for kerbside recycling for those properties in a certain area, which is set as a proxy for the service delivery area. This activity is also supplemented by income from users who are invoiced for additional services and replacement bins. Additional revenue is generated from the processing and sale of recycled materials.

Kerbside collection is mainly funded by the sale of rubbish bags by the contractor, although the recycling contract provides some additional support for these services.

The Council also receives funding from central government via the national Waste Disposal Levy. This is used to fund waste minimisation services and infrastructure. This is recorded in “local authorities fuel tax, fines, infringement fees, and other receipts” income.

Nelson City Council and Tasman District Council jointly operate regional landfills that are managed by the NTRLBU, a joint committee of the Councils. The Council records its share of this revenue from the business unit as Council revenue in the “local authorities, fuel tax, fines, infringement fees and other receipts” line. This line also includes any other type of “other income” such as a share or commercial recycling revenue and lease income.

The Council also receives a local disposal levy from the NTRLBU, which is used to fund waste management and minimisation activities and reduce the requirement for general rate funding.

One of our community outcomes is "our unique natural environment is healthy and protected" and using a rate is more appropriate than a charge for kerbside pickup because it creates an incentive to use the service and protect the environment.

*Fees and charges: Medium

*Local authorities fuel tax, fines, infringement fees, and other receipts: Low-Medium to Medium

*Targeted rates: Low

*General Rates: Low.

5.6 RIVERS

We maintain 285 km of major rivers throughout the district to carry out our statutory roles of promoting soil conservation and mitigating damage caused by floods and riverbank erosion. These rivers, known as classified rivers X and Y, are funded by a differential river rating system based on capital value.

Rivers that are covered under the rivers X and Y schemes include our major rivers like the Waimea, Motueka, Riuwaka, Moutere, Tākaka, Aorere as well as several tributaries. We maintain and improve river assets in rivers X such as stop banks and erosion protection and in River Y areas, we maintain and improve river assets however there are no stop banks in place. We fund 100% of agreed work programs in river X and Y areas.

There are many more rivers, streams and creeks that are on private, Council, and Crown (DOC, Land Information New Zealand) land. These are collectively known as rivers Z and are rated based on land value. River protection assets such as rock walls and groynes form part of the river system. These are typically owned and maintained by private property owners, and we sometimes part fund them at a level between 33% and 66% of the cost of the work.

The approach to river management places emphasis on channel management through gravel relocation/repositioning, and vegetation and land buffers on the river's edge. The aim is to manage the river channel and catchment so there is less need to use hard engineering methods to prevent erosion.

This activity does not include management of stormwater or coastal assets. These are covered as individual activities and have their own Activity Management Plans.

5.6.1 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our communities are healthy, safe, inclusive and resilient	Our flood protection works and river control structures protect several communities and rural areas from flooding. We maintain these safely and cost-effectively.
Social Well-being	Our urban and rural environments are people-friendly, well planned,	We engage with our communities in several River Care groups to ensure our community's feedback is considered in river catchment management.

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
	accessible and sustainably managed	
Social Well-being	Our communities have access to a range of social, cultural, educational and recreational facilities and activities	We maintain our river environment to ensure pleasant and appropriate places for recreational activities.
Economic Well-being	Our region is supported by an innovative and sustainable economy	Our flood protection scheme provides assurance that regular rainfall events do not disrupt normal business activities.
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs	Our flood protection and mitigation structures are maintained cost-effectively to a level supported by our communities.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed	Rivers are important natural resources. Our flood protection and mitigation activities minimise the impacts on our natural river environments to a practical and sustainable level and recognise the principal of Mana o te Wai as per the National Policy statement for Freshwater Management.
Cultural Well-being	Our communities have opportunities to celebrate and explore their heritage, identity and creativity	Our rivers have important cultural values and many in our community identify where they are from by their river.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement.	We provide expertise and guidance to our communities, helping to find solutions along our river environment.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
The Council operates, maintains and improves flood protection and river control assets on behalf of Tasman residents and ratepayers, in particular to protect life,	Immediate to Indefinite	Identifying separate funding assists in the accountability and transparency of Council's

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
property and livelihoods. Development of properties adjacent to the river networks means there are assets located in flood plains which are at risk of erosional impacts and flooding. The need to protect these assets is creating the need for the Council to undertake work relating to asset development and maintenance. It is considered appropriate for owners of these properties to fund this work through targeted rates. Additionally, River Z work is done to protect individual properties and has some direct benefit to those parties, although this protection may also extend beyond the individual property owner. There are some other direct beneficiaries/exacerbators in parts of activity including renters of river berms and users of gravel.		costs for much of this activity. A portion of the activity is of public benefit, meaning user charging is not feasible for this part.

FUNDING SOURCES AND RATIONALE

The benefits of this activity apply largely and indirectly to the whole community.

The benefits apply directly to those whose properties are adjacent to the district's rivers. While there are wider community and environmental benefits relating to an effective flood protection and rivers control network, the Council considers that properties directly adjacent to rivers benefit more and will fund the cost of that activity at a higher level than those deemed to indirectly benefit. For this reason, a differential rating system is used with adjacent parties (in the X/Y zone) paying a higher differential based on capital value.

There is some scope for user charges including gravel extraction fees.

The Council also considers that in the River Z area, when the Council carry out works that has direct benefit to the applicants, due to this level of direct benefit, a portion of the costs should be paid by the applicant. There is also an opportunity for berm rentals and rates recoveries in this activity. These revenue sources are recorded in "local Authorities fuel tax, fines, infringement fees and other receipts" and river Z rates are based on land value.

*Targeted rates: Medium-High to High

*Local authorities fuel tax, fines, infringement fees, and other receipts: Low

*Fees and charges: Low

5.7 COMMUNITY DEVELOPMENT

We provide and maintain a wide range of parks, reserves, recreational facilities, community facilities and amenities, library services, museum services, events, environmental education, and community grants, for our ratepayers and community. Key assets include parks and reserves (including Moturoa/Rabbit Island, formal gardens, special interest sites, sports grounds, open space reserves, walkways, esplanade reserves, non-commercial camping grounds), sports and recreation centres, community facilities, halls, cemeteries, playgrounds, public toilets, libraries, community buildings, museums, older adults housing complexes, and the Richmond Aquatic Centre and the Saltwater baths in Motueka. Saxton Field developing and operating costs are split in half between us and Nelson City Council.

5.7.1 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our communities are healthy, safe, inclusive and resilient	Open space, reserves and recreation facilities cater for, and promote, active healthy lifestyles. This includes casual activities such as walking and cycling, along with organised sports and recreation activities. Council events, reserves and community facilities, and the Richmond Aquatic Centre are organised, designed, and managed to ensure users' safety. They are inclusive, catering to the needs of our community and support specific social needs. We provide good-quality, safe, and affordable community housing for people who meet the criteria of our Policy on Housing for Older Adults. Libraries provide safe spaces and equitable access to information for all in the community, enabling social interaction and community engagement.
Social Well-being	Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed	Our reserves, open spaces, and neighbourhood parks are accessible and within walking distance of homes. The Richmond Aquatic Centre is designed and managed to meet current and future needs of our communities. In partnership with the Community Infrastructure and Environment Assurance groups, we deliver environmental air quality, water quality, and waste minimisation

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
		education to support sustainable management and lifestyles. We assist communities to create a unique sense of place through our events and the provision of community group funding and advice.
Social Well-being	Our communities have access to a range of social, cultural, educational and recreational facilities and activities	We provide high quality community open space, aquatic, recreational and cultural facilities, enabling our communities to participate in active and passive recreation, cultural opportunities, and targeted social support. Libraries provide resources and programmes that support educational, creative, cultural, social, recreational and business activities. We promote, support and deliver recreational, educational and social services and activities that reflect the diversity of our district. We provide assistance to the Nelson Provincial Museum and Tasman's District museums to support our culture and heritage. We also provide assistance to various community-led facilities, projects and initiatives, to deliver benefits across our communities.
Economic Well-being	Our region is supported by an innovative and sustainable economy	Libraries provide educational resources and support learning for all age groups. Libraries help people seeking employment through digital skills training programmes and assistance with job applications and writing resumes. Libraries work with employment support agencies to provider assistance for people seeking employment. We work with Business unions, such as Richmond Unlimited and Our Town Motueka to increase the foot traffic in the town centers. We support young people who are not in education, employment or training through our Youth Pathways programme.

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs	Community infrastructure (reserves, facilities and libraries) is efficiently and effectively managed, meeting the needs of our communities. The Richmond Aquatic Centre is managed, operated and maintained to meet the demands of customers in a cost-effective way.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed	Significant ecological areas and sensitive coastal and riparian areas within our parks, reserves and open spaces are well managed and protected. Our community is aware and involved in conservation and restoration work. Our environmental education initiatives help deliver environmental benefits to the broader community.
Cultural Well-being	Our communities have opportunities to celebrate and explore their heritage, identity and creativity	We provide recreation facilities that cater for and enable communities to celebrate their heritage and creativity. Cemeteries provide a location for remembrance. Libraries collect and preserve local heritage information and materials, and help people preserve their personal stories. We provide funding and in-kind support to local museums within our district, to the Nelson Provincial Museum, and to organisations that promote and celebrate our history and diverse cultures. We deliver Welcoming Communities programme to identify the need of multicultural communities and work with Community groups to meet these needs.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and	We provide libraries, reserves and facilities which enable community partnerships through management of our community facilities, reserves and halls by volunteers and through working with schools, businesses, community

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
	encourages community engagement	groups and others who help with planting and other activities. We share regional facilities in association with Nelson City Council (e.g. Saxton Field, Suter Art Gallery, and Nelson Provisional Museum). Our libraries, reserves and facilities provide spaces which enable social interaction and community engagement. We take opportunities to partner with a range of community and user groups. We assist youth Councillors to participate in Council and Community Board decision-making.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
Residents and visitors can benefit from the use of parks, reserves, community facilities (including Sportspark Motueka, Motueka Recreation Centre, Murchison Sport Recreation and Cultural Centre, Moutere Hills Community Centre, Rec Park Centre Golden Bay), sportsgrounds, public toilets, libraries, community halls and buildings, the Aquatic Centre, Saxton Field, etc. The Council also provides cemeteries. Community housing benefits occupants of the housing units, usually older adults. Sporting, recreation or community groups, and other reserve users directly benefit from being able to rent reserve or other land and/or buildings for their activities. The entire community benefits from access to museums and protection of heritage items, and from having a vibrant sense of community. The community also benefits from the activity's community partnerships work which involves running community events,	Immediate to ongoing	A significant portion of the activity is of public benefit, meaning user charging is not feasible for much of this activity. Identifying separate funding assists in the accountability and transparency of the Council's costs on a part of this activity.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
educational activities, provision of grants and managing the service delivery contracts for the Aquatic Centre and Council's facilities. The public are able to make use of resources, facilities, events and recreational opportunities and as such gain physical and psychological wellbeing and a sense of community identity. Development and population increases create demand for community facilities, libraries and parks - see section four in this document on capital expenditure.		

FUNDING SOURCES AND RATIONALE

Many parts of this activity (e.g. parks, reserves, some library activities, various halls, community grants) predominantly benefit the public or contribute significantly to community outcomes or would be difficult or costly to charge to users (e.g. public toilets). Therefore, significant components of funding are through the general rate. The Council considers that there are wide community benefits from ensuring only minimal charges are imposed on library fees, so not all costs are recovered through fees.

Spending on certain facilities, including those shared with NCC, certain sporting and community facilities, and the museums is of general benefit to the public but without a relationship to the values of property, therefore uniform targeted rates are considered appropriate. The Council considers that the public will want to see discretely the facilities jointly funded with NCC, justifying two separate facilities targeted rates.

There is some scope for user charges or other income in this activity, including hall hire and facility rentals, library charges, cemetery charges, camping fees at the McKee and Kina camping grounds, sports ground fees, cell site/property rentals, etc. Some of these such as, community housing income, miscellaneous reserve income and recoveries, rental/lease income are recorded in "local authorities fuel tax, fines, infringement fees and other receipts."

There is some scope for subsidies and grants or external funding in this activity. For example, the Council receives funds from Sport New Zealand Rural Travel Fund and Creative New Zealand. In addition, Community Partnerships applies for project funding for capital projects, education events and programmes from organisations including Lottery Grants Board, Ministry of Youth Development, Toimata Foundation, Rata Foundation, Department of Internal Affairs, Ministry for Ethnic Communities and the Ministry of Business, Innovation and Employment. For its major community facilities, the Council requires a community fundraising contribution. This contribution is at least one-third of the first $3 million of the capital cost of the project and at least 20% of the remaining capital cost.

Some funding is received from the Council Enterprises activity for the maintenance of the Council's parks and reserves. This is recorded as "internal charges and overhead recovered" and represents a return for the use of reserves for commercial campgrounds and from forestry activities on Moturoa/Rabbit Island.

The Council's community housing activity is self-funding from the rental income from the units. The community housing activity also provides a small return back to the parks and reserves account.

For the remaining majority of this activity which has public benefit (excluding museums), funding from the general rate is considered appropriate.

*General rates: Medium

*Targeted rates (facilities and museums): Low-Medium

*Local authorities fuel tax, fines, infringement fees and other receipts: Low

*Fees and charges: Low

*Internal Charges and overheads recovered: Low

*Subsidies and grants: Low

5.8 GOVERNANCE

We run the electoral process (under the direction of the Electoral Officer) to provide our district with a democratically elected Mayor, Councillors and Community Board members and the governance of our district by its elected representatives. It also involves:

- Local government elections
- organising and preparation for Council meetings
- organising civic ceremonies, such as citizenship ceremonies and ANZAC Day services
- support for our Councillors, Council and Community Boards and any assistance required by our Mayor.
- running democratic processes, including community consultation, and
- making appointments to Council Controlled Trading Organisations (CCTOs)2 and Council Controlled Organisations (CCOs).

We have a 50% shareholding in the following organisations, with Nelson City Council holding the other 50% share, in:

- Infrastructure Holdings Limited (Subsidiaries Nelson Airport Limited and Port Nelson Limited)
- Tasman Bays Heritage Trust.

We are also:

- a majority shareholder in Waimea Water Limited

[2] Council Controlled Organisations are operated for the principle purpose of making a profit.

- a shareholder in the Local Government Funding Agency Limited (LGFA), and
- a shareholder in the Civic Financial Services Ltd (Civic Assurance).

5.8.1 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our communities are healthy, safe, inclusive and resilient	Everyone is included and involved, can participate in decision-making and is able to enjoy a good quality of life, wherever they come from and whatever their age, abilities or income. The Golden Bay and Motueka Community Boards represent and act as an advocate for the interests of their communities. They also maintain an overview of services provided by the Council within their communities and communicate with community organisations and special interest groups. They are separately elected advisory bodies and are not Council Committees. Community Associations support and advocate for residents in their local communities and make submissions to the Council. Ward Councillors maintain close relationships with their local community associations. Advisory Groups are established and coordinated by the Council for specific user groups. The advisory groups help to guide Council decisions, normally on the use and function of a Council asset. We undertake recovery activities to restore protection to people, buildings and land, and to restore the safe provision of important services (e.g. water supply, wastewater, roads) following natural hazard events.
Social Well-being	Our urban and rural environments are people-friendly, well planned, accessible, and sustainably managed.	We undertake natural recovery activities to restore access to our urban and rural environments following natural hazard events.

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed.	We undertake natural hazard event recovery activities such as waste disposal and repairing infrastructure to reduce pollution and biosecurity threats.
Cultural Well-being	Our communities have opportunities to celebrate and explore their heritage, identity, and creativity.	We undertake recovery activities to repair roads to contribute to our communities being able to access social, cultural, educational and recreational facilities following natural hazard events.
Economic Well-being	Our region is supported by an innovative and sustainable economy	The CCTOs provide an economic return to the Council and ratepayers and provide employment opportunities. We undertake recovery activities to repair and replace infrastructure so that our economy and businesses can operate following natural hazard events.
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	We undertake recovery activities to repair and replace infrastructure following natural hazard events.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement	Everyone has the opportunity to participate in the community's major decisions and information is easy to obtain. The Governance activity ensures that democratic processes are undertaken and supports the work of elected members.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
All citizens within Tasman District benefit from the democratic and governance processes, elections, and funding economic development. Residents in Golden Bay and Motueka benefit from their community board activities.	Immediate to ongoing	A significant portion of the activity is of public benefit, meaning user charging is not feasible for much of this activity. Identifying separate funding assists in the accountability and transparency of the Council's costs on part of this activity.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
Businesses in the Richmond and Motueka benefit from the business association activities. Recovery from natural hazard events generally provide high level of benefits to the communities directly affected by the event. Recovery also provides benefits to the wider community across the District through enabling the economy to operate fully again and access to the areas affected.		

FUNDING SOURCES AND RATIONALE

There are generally no opportunities to recover through fees and charges for this activity.

The Council records community board income and cost recoveries from other parties, market income, and rural address recoveries in "local authorities' fuel tax, fines, infringement fees and other receipts."

The Council considers that the most appropriate method to recover the public benefit component of this activity is general rate.

However, in line with the Council's policy of those that benefit from a service paying a targeted rate, the Motueka and Golden Bay wards pay a contribution towards the costs for their Community Boards via a targeted rate which also includes special project funding within those wards.

If there are opportunities for subsidies or grant income, the Council would look to utilise these.

As well, the costs of funding the annual grants to Our Town Motueka and Richmond Unlimited are recovered through the Motueka Business Rate, and Richmond Business Rate. The Council charges these rates on businesses in the areas that will benefit. In Motueka, those businesses that are closer to the Central Business District (CBD) receive a greater benefit, and therefore the Council considers that a differential charge should be applied.

There is a combination of private and public benefit from activities to recover from natural hazard events. District-wide targeted rates for recovery from specific natural hazard events are used to make the funding for these events transparent. Targeting rates only on those in the areas directly affected (and gaining most benefits from the recovery work) would have detrimental effects on the current and future well being of these people who will have been adversely affected by the natural hazard event. Natural hazard events can also affect any parts of the District.

From 1 July 2026, the Council will introduce a 2025 Weather Event District-wide Targeted Rate for a period of five ~~or six~~ years. The rate will be set as a uniform charge per rating unit, reflecting that the emergency response provided a district-wide benefit and provides a stable and transparent funding source over the five-year period.

*General rate: ~~High~~ Medium

*Targeted rates: ~~(business/community board): Low~~ Medium

~~*District-wide targeted rates (2025 Weather Events Recovery Rate): Low~~

*Subsidies and grants: Low

*Local authorities fuel tax, fines, infringement fees and other receipts: Low.

5.9 COUNCIL ENTERPRISES

This activity involves the management of approximately 2,700 stocked hectares of commercial plantation forest, aerodromes in Motueka and Tākaka, a mixture of leased and managed holiday parks in Motueka, Pōhara, Collingwood and Murchison, the management of Port Tarakohe and the management of various commercial property investments.

5.9.1 CONTRIBUTION TO COMMUNITY OUTCOMES

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
Social Well-being	Our communities are healthy, safe, inclusive and resilient	Our commercial assets provide a healthy and safe environment for users and are compliant with health and safety standards. Our aerodromes and ports are resilience assets for communities with limited road access.
Social Well-being	Our urban and rural environments are people-friendly, well planned, accessible and sustainably managed	We manage our commercial activities to provide functional, pleasant and safe environments, and to minimise any public health hazards and provide attractive facilities. We work to minimise negative impacts on our environment and consider sustainability in all our future commercial development. Our commercial assets are accessible to our communities.
Social Well-being	Our communities have access to a range of social, cultural, educational and recreational facilities and activities	We provide spaces for social interaction and recreation. We manage our commercial forests for the benefit of our communities, by balancing commercial and recreational use.
Economic Well-being	Our region is supported by an innovative and sustainable economy	Our commercial activities provide an income stream to reduce reliance on rates. We provide jobs for, and help develop, our local economy. We have a range of legacy assets. We provide and manage recreational assets, and those that provide community resilience, to minimise the burden on ratepayers.

COMMUNITY OUTCOMES		HOW OUR ACTIVITY CONTRIBUTES TO THE COMMUNITY OUTCOME
		Our forestry assets provide a sustainable economic resource for our communities and a carbon offset for our activities.
Economic Well-being	Our infrastructure is efficient, resilient, cost effective and meets current and future needs	We endeavour to provide commercial and recreational facilities to meet our community's needs at an affordable level.
Environmental Well-being	Our unique natural environment is healthy, protected and sustainably managed	We have gained Forestry Stewardship Council (FSC) certification. Our forests are sustainably managed within internationally recognised guidelines. Our forests store carbon to reduce the impact of climate change and meet obligations under climate change agreements.
Cultural Well-being	Our communities have opportunities to celebrate and explore their heritage, identity and creativity	Our commercial assets include sites that have historical significance and are available for historical reference and exploration. Historic places and iwi interests are respected and protected through planned Council development.
	Our Council provides leadership and fosters partnerships including with iwi, fosters a regional perspective, and encourages community engagement	We have established various user and advisory groups such as Motueka Aerodrome Advisory Group, Tākaka Aerodrome User Group, and Port Tarakohe Advisory Group as a means of engaging with communities on the Council's commercial and semi-commercial activities.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	RATIONALE FOR SEPARATE FUNDING
There are a variety of direct beneficiaries in this activity including: users and tenants of our aerodromes, ports, holiday parks and commercial property. This activity also includes forestry which provides a return back to the Council.	Immediate and ongoing.	Identifying separate funding assists in the accountability and transparency of the Council's costs for much of this activity.

FUNDING SOURCES AND RATIONALE

Where possible user charges should be used to charge the direct beneficiaries and therefore fees and charges will be a significant revenue source for this activity for users of Port Tarakohe, the Motueka and Tākaka Aerodromes, and the Collingwood Holiday Park. However, some properties and the buildings at the aerodromes are rented at market levels which results in returns less than related costs therefore requiring some general rate funding into the activity. This is more than offset by contributions to the general rate from other parts of the activity.

This activity has significant income recorded in "local authorities fuel tax, fines, infringement fees and other receipts" line. This includes funding from direct beneficiaries for property rentals in the Māpua Precinct, Murchison Riverside Holiday Park, Motueka Top 10 Holiday Park, Pōhara Top 10 Holiday Park, production forestry income, and other revenue sources.

If there are opportunities for subsidies or grant income, the Council would look to utilise these.

*Local authorities fuel tax, fines, infringement fees and other receipts: Medium to High

*Fees and charges: Low to Medium

*Subsidies and grants: Low

*General rates: Low

Noting- the general rate offset contribution from forestry should exceed other rates charged within the activity, meaning general rates are reduced overall because of surpluses in this activity.

5.10 Support Services

Support Services are the internal functions that help ensure the Council operates efficiently and effectively, meeting its statutory obligations, and working towards the achievement of the Council's community outcomes.

These activities are internally focused and do not generally have a direct output to the community, rather they are internal support systems for those activities that do. The Support Service activities have their own business plans which outline the strategic focus for the activity and the major projects.

This group is not classed as a 'group of activities' for Tasman's 10-Year Plan purposes and no funding impact statement has been produced for these activities.

6 FUNDING OF CAPITAL EXPENDITURE

Section 103(1) LGA requires the Council to specify its policy on the funding of capital expenditure separately from its policy on the funding of operating expenditure. "Capital" costs that need to be funded relate predominantly to the purchase of new assets and the replacement of existing assets.

The Council takes a consolidated corporate approach to the management of its financial position. Through Tasman's 10-Year Plan 2024 – 2034 it determines what capital expenditure is sustainable within the prudential guidelines it has set itself. These parameters are contained in the Financial Strategy.

Activity management plans are maintained for most activities, and these provide information about the services the Council will be providing, the condition of any assets and asset renewals required to maintain desired service levels.

For most capital expenditure funding, the activity level operating analysis is also applicable and therefore detailed analysis by activity can be seen in the operating section. For example, the same community outcomes tend to apply for both operating and capital expenditure by activity, and the beneficiaries and whose act creates a need, are largely consistent, whether the expenses are capital or operating in nature. For activities where the period of benefit has a long term component, some debt funding is generally utilitised due to the intergenerational equity principle. The funding for debt is typically through rates. For the Transportation, Water Supply, Wastewater, Stormwater, and Community Development Activities, the Council considers that Development Contributions and Financial Contributions for reserves and community facilities are appropriate sources of capital funding for the reasons set out in the detail that follows. Other funding source for these activities include external debt, Waka Kotahi funding and other sources like community of government contributions.

Funding for capital works will depend on the nature of the work, in particular the reasons (cost drivers) which have made the work necessary. There are three costs drivers recognised by the Council:

- capital expenditure due to growth (described as “To meet additional demand” in the Council’s Funding Impact Statement)
- capital expenditure due to renewals (described as “To replace existing assets” in the Council’s Funding Impact Statement), and
- capital expenditure due to shifts in levels of service, statutory requirements, or other reasons excluding growth or renewals (described as “To improve the level of service” in the Council’s Funding Impact Statement).

In addition, the Council also records Vested Assets. Certain infrastructural assets and land may vest in the Council as part of the subdivision consent process. Vested infrastructural assets are valued by calculating the cost of providing identical quantities of infrastructural components and are recognised as revenue when control over the asset is passed to the Council.

6.1 CAPITAL EXPENDITURE DUE TO GROWTH

- The Tasman District has experienced steady population and economic growth. Population and business growth creates the need for new subdivisions and development placing increasing demand on the assets and services provided by the Council. Significant investment in new or upgraded assets and services is accordingly required to meet the demands of growth.
- The Council intends to fund the portion of capital expenditure that is attributable to growth by largely recovering these costs from development and growth.
- The Council considers that the best mechanisms for ensuring the cost of growth sits with those who have created the need and benefit from the work are:
    - Development Contributions for transport, water, wastewater and stormwater services, and

- Financial Contributions for reserves and community services assets.

- The Council has a Development and Financial Contributions Policy. The Council is required under Section 106 2 (c) LGA to explain within that policy why it has decided to use development contributions, financial contributions and other sources to fund capital expenditure relating to the costs of growth. The assessment that follows is therefore replicated in that Policy.

The Council has considered whether development contributions or financial contributions are an appropriate source of funding in relation to the activity, the outcomes sought, and their links to growth infrastructure. A summary of this assessment follows. Development contributions and reserve and community services financial contributions, as a dedicated growth funding source, offer more secure funding for community outcomes that are affected by growth, or through which Council can deliver on aspects of the outcomes for new communities.

	Reserves and Community Facilities	Transportation	Water	Wastewater	Stormwater
Our unique natural environment is healthy, protected and sustainably managed.	Y		Y	Y	Y
Our urban and rural environments are people-friendly, well-planned, accessible and sustainably managed.	Y	Y	Y	Y	Y
Our infrastructure is efficient, resilient, cost effective and meets current and future needs.	Y	Y	Y	Y	Y
Our communities are healthy, safe, inclusive and resilient.	Y	Y	Y	Y	Y
Our communities have opportunities to celebrate and explore their heritage, identity and creativity.	Y				
Our communities have access to a range of social, cultural, educational and	Y	Y			

	Reserves and Community Facilities	Transportation	Water	Wastewater	Stormwater
recreational facilities and activities.					
Our Council provides leadership and fosters partnerships, including with iwi, fosters a regional perspective, and encourages community engagement.	Y	Y	Y	Y	Y
Our region is supported by an innovative and sustainable economy.		Y	Y	Y	Y

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	FUNDING SOURCES & RATIONALE INCLUDING RATIONALE FOR SEPARATE FUNDING
A significant portion of the Council's work programme is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth benefits from a project as well as how much it benefits existing ratepayers is determined for each project. The Council believes that the growth costs identified through this process should be largely recovered from development, as this is what creates the need for the expenditure and/or benefits principally from new assets and additional network capacity. Where and to the extent that works benefit existing residents, those costs are recovered through rates.	The assets constructed for development provide benefits and capacity for developments now and in the future. In many cases, the "capacity life" of such assets is many years, if not decades. Development Contributions allow development related capital expenditure to be apportioned over the capacity life of assets. Developments that benefit from the assets will contribute to its cost, regardless of whether they happen now or in the future. Similarly, financial contributions for reserves and community services also allows funding of these assets to be spread over benefiting developments over time.	The cost of supporting development in Tasman is significant. Development contributions send clear signals to the community about the true costs of growth and the capital costs of providing infrastructure to support that growth. The benefits to the community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development contributions and financial contributions for reserves and community services.

The Council has also considered the impact of the overall allocation of liability on the community. In this case, the liability for revenue falls directly with the development community. At the effective date of this Policy, the Council does not perceive any impact on the social, economic and cultural wellbeing of this particular section of the community.

Development in Tasman is thriving, and demand is high, as is demand for the infrastructure these funding sources help secure. Conversely, shifting development costs onto ratepayers is likely to be perceived as unfair and would significantly impact the rates revenue required from existing residents - who do not cause the need, or benefit from the growth infrastructure, needed to service new developments.

Overall, it is considered fair and reasonable, and that the social, economic and cultural interests of Tasman's communities are best advanced through using development contributions and reserve financial contributions to fund the costs of growth-related capital expenditure for services and activities covered by this Policy.

Types of Assets covered by development and financial contributions for reserves and community services include:

- network infrastructure for water supplies, wastewater, stormwater and transportation;
- the purchase and development of reserves;
- capital works for recreation activities, including libraries, and
- mitigating adverse effects.

Funding Sources for Growth Capital Expenditure:

- subsidies and grants for capital expenditure;
- development contributions and financial contributions for reserves and community facilities, and
- borrowing.

6.2 CAPITAL EXPENDITURE DUE TO RENEWALS

Renewal capital works are those capital expenditure costs that are incurred in restoring an asset to previous service levels, usually reflected in the amount that an asset has been depreciated. Therefore, by using those depreciation funds, the Council is attempting to maintain infrastructural networks to at least their original service level.

The Council policy is to move to fully fund depreciation (the loss of service potential or the wearing out of assets as it occurs) during their lifetime through rates and other operational income streams, stepped in over a 10-year period. However, because of high asset revaluation impacts and the need to mitigate rates increases, the Council have decided to extend 10 year periods by a further five years, finishing June 2030. The move to fully fund depreciation will continue to have a significant operational cost implication for the Council, and operational spending has been prioritised in order to enable the transitioning in of depreciation funding at the same time as remaining within the set financial limits.

Fully funding depreciation does not mean that all assets will have full depreciation funded. This is because:

- Subsidies are received in some areas. For example, the Council needs to fund depreciation only on its share of transportation costs - the component attributable to Waka Kotahi is excluded. Allowing for other subsidisable costs means approximately 49% of transportation depreciation will be funded.
- Depreciation on community facilities may not need to be fully funded as they are often partly funded by non-Council sources and/or will never be replaced in the same form at the end of their useful life, therefore in this case depreciation on certain halls, libraries etc. will not be funded.
- Certain renewal programmes are historically rates funded, and therefore it is not necessary to fund depreciation on these.

The Council does not hold cash reserves that match the depreciation reserves.

COMMUNITY OUTCOMES TO WHICH THE ACTIVITY PRIMARILY CONTRIBUTES							
Natural Environment	Human Environment	Infrastructure	Community	Culture	Recreation	Governance	Economic
Y	Y	Y	Y	Y	Y	Y	Y

Not every project will contribute to every community outcome listed above, however the overall capital works programme will likely contribute to all of them.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	FUNDING SOURCES & RATIONALE INCLUDING RATIONALE FOR SEPARATE FUNDING
Users of current infrastructure benefit from the renewal of this infrastructure. In some cases the capital cost arises because of damage to infrastructure in climatic events or because of equipment failure.	Ongoing benefits over the assets' useful life	The funding of depreciation is to be used for funding renewals for the purposes of intergenerational equity, however, to meet the targets within the financial strategy, the funding is being phased in over time and increasing the Councils overall borrowing. Other funding sources will also be considered.

Funding Sources Renewal capital expenditure:

- subsidies and grants for capital expenditure;
- depreciation reserves;
- proceeds from the sale of assets;
- reserves;
- borrowing;

- reserve financial contributions, and
- rates.

6.3 CAPITAL EXPENDITURE DUE TO SHIFTS IN LEVELS OF SERVICE, STATUTORY REQUIREMENTS, OR OTHER REASONS EXCLUDING GROWTH OR RENEWALS

COMMUNITY OUTCOMES TO WHICH THE ACTIVITY PRIMARILY CONTRIBUTES							
Natural Environment	Human Environment	Infrastructure	Community	Culture	Recreation	Governance	Economic
Y	Y	Y	Y	Y	Y	Y	Y

Not every project will contribute to every community outcome listed above, however the overall capital works programme will likely contribute to all of them.

WHO BENEFITS/WHOSE ACT CREATES THE NEED	PERIOD OF BENEFIT	FUNDING SOURCES & RATIONALE INCLUDING RATIONALE FOR SEPARATE FUNDING
Users of assets would benefit from increased levels of service. The cost driver for some capital works relates to increasing the levels of service for the community. Sometimes these improvements are required because of changes to legislation or resource consent conditions, which means there may be little discretion with regards to the expenditure. In other cases, the increase in the level of service is a community driven decision.	Ongoing benefits over the assets useful life	The Council will first look to fund other/level of service capital expenditure through capital grants and subsidies including community contributions, or where it makes sense, through asset sales and reserves, borrowing, and rates.

Funding Sources for Other Capital Expenditure:

- subsidies and grants for capital expenditure including community contributions;
- proceeds from the sale of assets;
- Reserves;
- borrowing, and
- rates.

7 OVERALL IMPACT OF LIABILITY FOR REVENUE ON THE CURRENT AND FUTURE SOCIAL, ECONOMIC, ENVIRONMENTAL, AND CULTURAL WELL-BEING OF THE COMMUNITY

The Council, both as part of Tasman's 10-Year Plan 2024 – 2034 processes and after setting financial budgets, has considered 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. In developing those budgets, the Council has set rates limits partly in consideration of the economic well-being of the community.

In past years, the Council has made funding decisions in consideration of the social, economic, environmental and cultural wellbeing of the community into existing policy. This includes the use of clubs for major infrastructure, such as the wastewater club. This helps make key infrastructure more affordable for smaller areas and groups. It also prevents significant fluctuations year to year on small supplies when they incur larger maintenance budgets or fluctuations.

As part of Tasman's 10-Year Plan 2024 – 2034 processes, the Council has reviewed the movement of rates in total, and also each rate type that has moved significantly. As a result, the Council has some changes to the Revenue and Financing Policy to promote community well-being. The Council has allocated some general rates funding into some of its Rural Water supplies from 2021-2022 as a result of substantial cost increases in these small supplies that have created affordability issues, as an interim measure. The funding allocated results in more affordable targeted water rates, and the increase is insignificant to the general ratepayer base due to the large number of ratepayers in the district, compared to the small number of ratepayers connected to the Rural Water supplies. The 'Local Water Done Well' reforms may ultimately change how water supplies across the country are operated and funded.

The Council has also continued some changes incorporated under the previous Long Term Plan (LTP) which in addition to improving the equity of our funding policy, also help mitigate rates increases. This includes debt funding some operational and rivers capital expenditure if there are multiple year benefits, for example the placement of rock protection along river banks. New to the 2024-2034 LTP is a proposed change to the targeted river rating system to be based on a property's capital value rather than land value, which shifts rate burden to larger, well-capitalised operations and away from low capital uses such as pasture. Additionally, the UAGC is to be set at 15% of the general rates income requirement. This helps to improve equity in the funding policy.

By using a set of example properties, the Council has been able to review and has considered the impact of rates and rates increases on various types of properties. These include residential and lifestyle properties, properties in the rural sector, business properties with varying ranges of rateable values and services. Horticultural property values have increased significantly in the last two district-wide revaluations, averaging over 30% both times, signalling some robustness in some parts of the rural sector.

The Council has also considered other funding streams impacts on the community such as development contributions and fees and charges.

Overall, it is considered that the allocation of the costs for the Waimea Community Dam water augmentation scheme and all other revenue streams is appropriate, having regard to the current and future social, economic, environmental, and cultural well-being of the community.