



2024 Ko te Kaupapa Here Moni Whiwhi me Ahumoni
2024 Revenue and Financing Policy



Contents

Introduction	2
Purpose	2
Considerations for this policy	2
Supporting information for this Policy	2
Equalised Capital Value (ECV)	2
Funding Impact Statements	2
Reviewing the Policy	2
Connecting our plans to our strategies and funding	3
Detrmining this Policy	4
Primary community outcomes	4
Distribution of benefits	4
Timeframe of benefits	5
Contributors – those who create need for an activity	5
Costs and benefits of funding activities distinctly	5
The use of capital value	6
Rates with differentials	6
Funding tools Council has chosen not to apply	6
Funding Operating and Capital Expenditure	7
Funding sources and indications	8
Environment	8
Flood Protection	21
Metlink Public Transport	25
Regional Partnerships and Strategy	27
Water Supply	38
Appendices – The General Rate	40

Introduction

The Revenue and Financing Policy describes how Greater Wellington Regional Council (Council) intends to fund its expenditure set out in the Long-Term Plan, and the sources of funding that Council intends to use, for each activity.

Purpose

The Local Government Act 2002 (the Act) requires the Council to manage its expenditure prudently and in a way that promotes the current and future interests of the community. This Policy outlines the decisions the Council has made in determining the most appropriate sources of funding for operating and capital expenditure, keeping in line with the Financial Strategy's principles for fairness and affordability.

Considerations for this policy

In developing the Policy, Council has considered the specific matters required by section 101 (3) of the Act, requiring a two-stage process for considering a new activity funding method. Section 103 of the Act requires Council to state its policies in respect of the funding of operating and funding of capital expenditure.

Greater Wellington promotes the social, economic, environmental, and cultural well-being of our communities through our community outcomes which are considered throughout the decision-making process.

Supporting information for this Policy

Equalised Capital Value (ECV)

Within the region, different territorial authorities undertake general revaluations at different times. To equalise the values, each year Council gets Quotable Value or another registered valuer to estimate the projected valuations of all the rateable land in the districts within the region. This estimation is enabled under s131 of the Local Government Rating Act.

This means that rates are assessed on a consistent valuation basis, regardless of the timing of individual Territorial Authority revaluations.

Funding Impact Statements

The Funding Impact Statement shows how the Council intends to implement the Revenue and Financing Policy each year. It also shows the amount of funding to be collected from each available source, including how various rates are to be applied.

Reviewing the Policy

Legislation requires the Policy to be reviewed at least once every five years, however Greater Wellington generally reviews it every three years in line with the Long-Term Plan process but will from time to time make amendments if required. The next review is expected to take place in 202

Connecting our plans to our strategies and funding



Te Rautaki Ahumoni – Financial Strategy

This strategy takes a sustainable approach to service delivery and financial management, focusing on ensuring our levels of service and activities are financed and funded to generate and protect community outcomes and promote long-term community well-being, providing transparent context on our funding using rates, debt, and investments.



Te Rautaki Hanganga – Infrastructure Strategy

This Strategy sets out how Greater Wellington plans to manage infrastructure over the next 30+ years and defines the nature of the challenges, the approach and options for dealing with challenges and the implications of these actions while ensuring intergeneration equity.

2024-34 Long Term Plan



Ko te Kaupapa Here Moni Whiwhi me Ahumoni – Revenue & Financing Policy

The Revenue & Financing Policy is about where the funding (money) will come from, and how Greater Wellington will share the costs of services across the region, and among different groups of ratepayers.



Fees and Charges Policies

The Council sets fees and charges to be collected from users of public resources, and to recover costs for a range of services, reducing the financial impacts to ratepayers.



Ko ngā Kaupapa Here Whakaiti me Hiki Reti – Rates Remission and Postponement Policies

These policies enable Greater Wellington to act fairly and reasonably when ratepayers are unable to pay their share of the rates.

Determining this Policy

In developing this policy, Council used a two-stage approach.

STAGE ONE

The first stage is to consider for each activity, Council considered the five matters in s101(3)(a) of the LGA 2002.

These are summarised as-

- Primary community outcomes
- Distribution of benefits
- Timeframe of benefits
- Contributors – those who create need for an activity
- Costs and benefits of funding activity distinctly

Primary community outcomes

Each group of activities contributes primarily to achieving at least one of these community outcomes as outlined in the 2024-34 Long Term Plan:

Thriving Environment

Greater Wellington looks after the region to ensure it thrives and prospers. We lead to ensure our environment is prioritised to have healthy fresh and coastal water, clean and safe drinking water, indigenous biodiversity, sustainable land use, a prosperous low carbon economy with an effective electrified public transport network.

Connected Communities

Greater Wellington works with the community to connect people with the environment they live in. People are engaged in the decisions that affect them, contributing to vibrant and liveable region in which people can move around using an accessible and efficient public transport network.

Resilient Future

Greater Wellington manages and protects the region's resources so they can be enjoyed for generations to come, adapting to the effects of climate change and natural hazards, community preparedness and quality infrastructure.

Distribution of benefits

For each activity, this consideration analyses of the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.

Generally, the funding methods the Council has chosen to use for each activity will reflect who is benefiting from the activity, but not always as the other policy considerations identified here will also influence decisions.

The benefits are deemed by Council and may differ from the opinions of some ratepayers or community groups; however these benefits are final and applied to be able to decide on the appropriate funding tools.

Timeframe of benefits

Council considers the period in or over, which the benefits are expected to accrue and applies the principles of the Financial Strategy.

Intergenerational equity applies to capital expenditure where assets are expected to provide benefits over decades. To spread the costs over time, loan funding is used, and debts serviced each year, which ensures current ratepayers do not pay the full price for the benefits in which future ratepayers will receive.

For all activities, operating costs are directly related to providing benefits in the year of expenditure, therefore funded on an annual basis.

Contributors – those who create need for an activity

Contributors are any individuals or groups who, through their action, or inaction, contribute to the need to undertake the activity. For example, polluters create a need for Council to clean up the mess or make rules about how it is to be reduced or cleaned up.

Many of Council's activities utilise contributors funding through 'user fees and charges'. Council actively seeks to recover expenditure from these contributors, however it is not always possible, therefore, at times, these activities will be subsidised through other funding mechanisms.

Costs and benefits of funding activities distinctly

There are costs and benefits, including consequences for transparency and accountability of funding an activity separately, whether by user charges or targeted rates or a combination of these.

There are administration costs associated with different types of funding and these need to be weighed against any benefits of targeting specific beneficiaries or users.

A key benefit is 'transparency and accountability', which are most evident when an activity has one defined funding source, allowing ratepayers (or users) to see exactly how much revenue is being sought and spent on the activity.

This is not always possible; therefore, the general rate is used to encompass activities with a region-wide benefit. To support the 'transparency and accountability', Council separates the general rate into practical activity groupings which allows the ratepayer to understand where a large portion of their charges go to.

STAGE TWO

Council then considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community. That process led Council to decide on the funding policy indications shown for each activity. This step is required by section 101(3)(b) of the Act.

The use of capital value

Council has chosen to use Capital Value (CV) as its valuation system for general rates because it reflects the total value of a property, compared with land value.

Council has also chosen to use CV as the basis for the following targeted rates:

- The Regional Economic Development rate (CBD and Business category)
- The Public Transport Rate
- Some River Management Scheme rates (Flood Protection)
- Wairarapa Coastal and Eastern Hills Wairarapa Catchment Activities (Land Management)
- The Stadium Rate

Rates with differentials

Council applies a differential to the Public Transport rate. The purpose of this differential is to address the variance in benefits derived from the physical limitations public transport networks in accordance with s101(3)(b) of the Act. This differential is designed to ensure that different rating categories throughout the region pay a fair share of the cost for providing public transport services. This differential was determined after considering the impact of level of service, location, and the types of properties. These differentials are found in the 'Funding Impact Statements'.

Funding tools Council has chosen not to apply

Council does not use a Uniform Annual General Charge (UAGC). A UAGC is part of the General rate and is set using a fixed amount or charge per property, irrespective of value or location. Being a fixed amount, it has the effect of increasing the rates for all properties below the average capital value and reducing those above the average. The further a property value is from the average, the greater impact.

Council has decided not to use a UAGC because it is of the view the General rates recover the costs when the whole region benefits, and therefore these costs should be recovered by using taxation principles, and using solely capital values is the most appropriate method.

Other tools not used:

The Council does not use lump sum contributions, development and financial contributions, and regional fuel taxes.

Funding Operating and Capital Expenditure

Operating Expenditure (OPEX)

OPEX pays for Councils day-to-day spending to keep the business going. This includes maintaining assets or other expenditure that does not procure or create a new asset.

Council funds OPEX using the following funding tools:

- General rates
- Targeted rates
- Fees and charges
- Interest and dividends from investments
- Grants and subsidies
- Other operating revenue, such as reserves
- Debt funding (Refer the Financial Strategy)

Capital Expenditure (CAPEX)

CAPEX pays for buying or building new assets. This includes replacing existing assets or improving an existing one to improve a service.

The Council generally funds CAPEX from borrowing and spreads repayment over long periods as outlined in the Financial Strategy.

Borrowing for CAPEX enables the Council to ensure there is intergenerational equity in terms of who funds CAPEX. Where practicable, the repayments are spread over the expected average life of the asset. This means today's ratepayers are not asked to fully fund assets that tomorrow's ratepayers will benefit from.

Other funds for CAPEX include:

- Grants and Subsidies – from agencies such as the New Zealand transport agency Waka Kotahi and the Department of Internal Affairs (DIA)
- Council reserves (incl. annual revenue collected to cover depreciation)

Funding sources and indications

The following summarises the funding sources to be used for both operational and capital expenditure, as well as the funding indications.

Environment

This section includes:

- **Resource Management**
 - *Policy and Planning*
 - *State of Environment monitoring*
 - *Consents*
 - *Compliance and Enforcement*
 - *Pollution prevention and control*
- **Environment Restoration Activities**
 - *Environment restoration programmes*
 - *Environment restoration advice*
 - *Erosion schemes*
- **Wairarapa Coastal and Eastern Hills Wairarapa Catchment Activities**
- **Conservation Activities (Soil and Plant)**
 - *Soil conservation reserves*
 - *Akura conservation centre*
- **Biodiversity Activities**
 - *Biosecurity services for territorial authorities*
 - *Key Native Ecosystems (KNE) programme*
 - *Other biosecurity activities*
- **Pest Activities**
 - *Regional pest management plan*
 - *Regional predator control programme*
- **Harbour Activities**
 - *Navigational aids and communications service*
 - *Education – Enforce maritime safety regulations*
 - *Pollution clean-up – Oil*
 - *Pollution clean-up – other*
- **Flood Protection**
 - *Understanding Flood Risk*
 - *Maintaining Flood Protection and Control Works*
 - *Improving Flood Security*
 - *River Management*
 - *Wairarapa River Management*
 - *(Lower Valley and Waiohine, excl. Upper Ruamahanga)*
 - *Te Kāuru Catchment*
 - *Waiōhine River Stopbank*
 - *Drainage Schemes*
- **Regional Parks**

Resource Management Council <i>provides policy and planning, and state of the environment services to regulate use and development.</i>	OPEX	Fees & User charges	Policy and planning	Nil
			State of Environment monitoring	10 – 20 percent
		Subsidies	All	Nil
		Targeted rate	All	Nil
		General rate	Policy and planning	100 percent
	State of Environment monitoring		80 – 90 percent	
	CAPEX	Borrowings (Debt)	All	Not required
Proceeds from asset sales				
Reserve funds				
Community outcome	Thriving Environment			
Purpose / rationale for activity	Council regulates the use and development of the environment via the Regional Plan and other planning documents, to ensure that natural and physical resources are managed sustainably.			
Who benefits? How are the benefits distributed?	The community as a whole benefits from the policy, planning and monitoring services. Territorial authorities and individuals, benefit from Council’s State of the Environment monitoring information.			
Timeframe of benefits	On-going			
Does anyone cause Council to provide this service?	Everyone uses the region’s natural resources to some extent.			
Rationale for separate funding	The community as a whole is the main beneficiary, there is no particular benefit from distinct funding.			
Overall rationale for funding	As all of the region benefits from this activity, then the general rate is considered the most appropriate funding source after an allowance for any fees.			

Resource Management <i>Council uses consents, compliance, and pollution services. to implement the Regional Plan.</i>	OPEX	Fees & User charges	Consents	Up to 100 percent (consent applicants)
			Compliance and enforcement	Up to 100 percent (consent holders)
			Pollution prevention and control	Up to 100 percent (identified polluters)
		Subsidies	All	Nil
		Targeted rate	All	Nil
		General rate	Compliance and enforcement	Up to 100 percent for investigations where a liable party cannot be identified.
	Pollution prevention and control			
	CAPEX	Borrowings (Debt)	Consents / Compliance and enforcement	Not required
			Pollution prevention and control	Primary source
		Proceeds from asset sales	Consents / Compliance and enforcement	Not required
			Pollution prevention and control	When available
		Reserve funds	Consents / Compliance and enforcement	Not required
Pollution prevention and control			When available	
Community outcome	Thriving Environment			
Purpose / rationale for activity	Council implements the Regional Plan, with consent, compliance, and pollution services.			
Who benefits? How are the benefits distributed?	Consent applicants benefit from information services. Consent holders benefit from the right to use regional resources, and from monitoring services, because consents may be granted with greater confidence / certainty about the potential impacts.			
Timeframe of benefits	On-going			
Does anyone cause Council to provide this service?	Polluters create the need for pollution services. People who want to use the region’s resources create the need for an allocation system.			

Rationale for separate funding	These services are best funded jointly with other Resource Management activities to provide transparency to service users, residents and ratepayers.
Overall rationale for funding	Council considers that those who benefit or contribute to the need for the activity should contribute to the recovery of those costs. When recovery is not possible, then the general rate is considered the most appropriate funding source after an allowance for any fees.

Environment Restoration Activities <i>Council offers restoration and good farm management practices to mitigate the environmental impacts of agricultural and horticultural uses of land.</i>	OPEX	Fees & User charges	Environment restoration programmes*	Up to 75 percent
			Environment restoration advice	Nil
		Subsidies	Environment restoration programmes	Up to 100 percent
			Environment restoration advice	Nil
		Targeted rate	Environment restoration advice and programmes	Nil
	General rate	Environment restoration programmes	Up to 75 percent	
		Environment restoration advice	100 percent	
	CAPEX	Borrowings (Debt)	All	Not required
		Proceeds from asset sales	All	Not required
		Reserve funds	Environment Restoration Programmes	When available
Funding Split	Environment Restoration programmes will operate under criteria that will determine property-specific grant rate. The criteria used in determining appropriate grant rate will be aimed at maximising the effectiveness of the programmes. Priorities will be identified through catchment context, community values and desired outcomes including water quality, biodiversity or climate change adaptation where a high priority activity will receive higher general rate grant support. <i>Contact Environment Restoration staff for details of grant rate criteria for applicable programmes.</i>			

Community outcome	Thriving Environment
Purpose / rationale for activity	Council seeks to mitigate the environmental impacts of farming. Land management practices can affect soil erosion, soil health, biodiversity and water quality (the health of streams, rivers, and the coast).
Who benefits? How are the benefits distributed?	<p>Farmers, rural communities and future generations benefit from:</p> <ul style="list-style-type: none"> • stabilised soils and reduced erosion • healthy waterways (recreation, drinking water, livestock water supply) • reputation benefits from clean operations • protect local infrastructure <p>The community as a whole benefits when farmers reduce their nutrient and sediment discharges.</p>
Timeframe of benefits	On-going
Does anyone cause Council to provide this service?	National and regional policy and regulations.
Rationale for separate funding	The Environment Restoration Programme involves a two-way transactional relationship. The landowners pay 'Fees & Charges', but can also charge Greater Wellington for services. The distribution of costs and the subsidy applied varies from landowner to landowner depending on the environmental outcome. In certain programmes Subsidies are available from Government which can reduce either the Fees & User charges or the General rate percentage applied to the programme. The activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.
Overall rationale for funding	<p>Council considers that those who benefit from the activity should contribute to the recovery of those costs using fees and charges and targeted rates using a combination of service provision, land value and fixed value for erosion scheme services and coordination services to rural properties in the Wellington Region.</p> <p>The balance after fees and charges and any subsidies, the general rate is considered the most appropriate funding source.</p>

* Environment restoration programmes – Work delivery leading to water quality, biodiversity or climate change adaptation outcomes

Wairarapa Coastal and Eastern Hills Wairarapa Catchment Activities <i>Council delivers work programmes, such as preparing resource consents, and plans, liaising with landowners, managing sub-contractors, organising materials and labour, quality control.</i>	OPEX	Fees & User charges	All	Nil
		Subsidies	All	Nil
		Targeted rate	Scheme One	\$ per hectare
			Scheme Two	Based on land value
			Scheme Three	Charge per dwelling
			Scheme Four	Based on river frontage
		General rate	Scheme One	Up to 50 percent
			Scheme Two	
	Scheme Three			
	Scheme Four			
CAPEX	Borrowings (Debt)	All	Not required	
	Proceeds from asset sales			
	Reserve funds			
Community outcome		Thriving Environment		
Purpose / rationale for activity		<p>To protect private and community assets including houses, buildings, roads and bridges with emphasis on maintaining vehicular access from the effects of erosion and flooding.</p> <p>To stabilise actively degrading gully erosion and control severely eroding catchment areas</p> <p>To control land clearing operations in the upper catchments and establish water monitoring programme objectives.</p> <p>Council seeks to mitigate the environmental impacts of farming. Land management practices can affect soil erosion, soil health, and water quality (the health of streams, rivers, and the coast).</p>		
Who benefits? How are the benefits distributed?		<p>Catchment schemes 1 – Wharema, Homewood, Maungaraki, Upper Kaiwhata, Lower Kaiwhata</p> <p>Catchment schemes 2 – Awhea-Opouawe, Mataikona-Whakataki</p> <p>Catchment scheme 3 – A.whea-Opouawe, Mataikona-Whakataki, Maungaraki</p> <p>Catchment schemes 4 – Maungaraki</p>		

	<p>Farmers benefit from-</p> <ul style="list-style-type: none"> • stabilised soils and reduced erosion • reputation benefits from clean operations <p>Rural communities benefit from local catchment schemes that protect local infrastructure (roads, utilities). The community as a whole benefits when farmers reduce their nutrient and sediment discharges.</p>
Timeframe of benefits	On-going
Does anyone cause Council to provide this service?	Farmers who allow stock to graze in or adjacent to waterways and don't mitigate the nutrients from leaching into waterways.
Rationale for separate funding	<p>All six schemes are managed and administered by GW (Planting Operations) in conjunction with each respective catchment scheme committee.</p> <p>The activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.</p>
Overall rationale for funding	<p>The local community share of the funding is raised through a special rating district covering the total area deemed to benefit. Individual properties are rated on a classified or differential basis that recognises the degree of benefit to each property.</p> <p>Council considers that those who benefit from the activity should contribute to the recovery of those costs using targeted rates. The balance after is paid by the general rate as it is considered the most appropriate funding source.</p>

**Formerly known as "Land Management – Catchment Schemes"*

Conservation Activities <i>Council supports soil and plant initiatives.</i>	OPEX	Fees & User charges	Soil conservation reserves	100 percent
			Nursery Operations	90 percent
		Subsidies	Soil conservation reserves	Nil
		Targeted rate	Nursery Operations	
		General rate	Nursery Operations	Up to 10 percent
	CAPEX	Borrowings (Debt)	Soil conservation reserves Akura conservation centre	Primary source
		Proceeds from asset sales	Soil conservation reserves Nursery Operations	When required
Reserve funds				
Community outcome	Thriving Environment			
Purpose / rationale for activity	Council seeks to mitigate the environmental impacts as land management practices have created erosion, and affected the health and quality of streams, rivers, and the coast.			
Who benefits? How are the benefits distributed?	The benefits of nursery operations are mostly with the private landowners who plant poplars and willows (and other species) for erosion and flood control. The benefits largely lay with private landowners but the community as a whole benefits from stabilized soils in its reserves and cleaner waterways.			
Timeframe of benefits	On-going			
Does anyone cause Council to provide this service?	Landowners who require plants to cover on erosion prone soils and/or land restoration.			
Rationale for separate funding	The activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.			
Overall rationale for funding	As the private landowners benefit from this activity, then the user fees and charges are considered the most appropriate funding source. The balance after is paid by the general rate as it is considered the most appropriate funding source.			

Biodiversity Activities <i>Council works to improve biodiversity and in turn improve life supporting services.</i>	OPEX	Fees & User charges	Biosecurity services for territorial authorities	100 percent
		Subsidies	All	Nil
		Targeted rate	All	Nil
		General rate	Key Native Ecosystems (KNE) programme Other biosecurity activities	100 percent
	CAPEX	Borrowings (Debt)	All	Not required
		Proceeds from asset sales		
		Reserve funds		
Community outcome	Thriving Environment			
Purpose / rationale for activity	Biodiversity contributes to the region's natural character and supports the healthy functioning of ecosystems which in turn provide essential, life supporting services, including purifying air and water.			
Who benefits? How are the benefits distributed?	The community as a whole share the benefits of a healthy environment.			
Timeframe of benefits	On-going			
Does anyone cause Council to provide this service?	Invasive and damaging species inadequately managed by landowners.			
Rationale for separate funding	This activity is one relatively small, part of the larger group of activities and separate funding would not be cost effective.			
Overall rationale for funding	As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.			

Pest Activities <i>Council conducts pest management activities for economic and environmental outcomes.</i>	OPEX	Fees & User charges	Regional pest management plan	Up to 10 percent
		Subsidies	Regional pest management plan	Up to 10 percent
		Targeted rate	All	Nil
		General rate	Regional pest management plan	80-100 percent
	Regional predator control programme		100 percent	
	CAPEX	Borrowings (Debt)	All	Not required
		Proceeds from asset sales		
Reserve funds				
Community outcome	Thriving Environment			
Purpose / rationale for activity	Pest management supports economic activity and improves environmental outcomes.			
Who benefits? How are the benefits distributed?	<p>The regional community benefits from reduced spread of unwanted pest damage to high value ecosystems, and reduced pest impact on safety, amenity, and social values. They also benefit from the access to high quality foods and the economic benefits of agriculture and horticulture activity.</p> <p>Primary producers benefit from</p> <ul style="list-style-type: none"> • reduced loss of pasture • reduced loss of crops • reduced damage to trees and shrubs • sustained and increased primary production. <p>Cattle and deer farmers in operational areas benefit from reduced risk of disease to farmed animals.</p>			
Timeframe of benefits	On-going			
Does anyone cause Council to provide this service?	Pest management, including possum control activities are undertaken in line with Biosecurity Act 1993, and the National Policy Direction for Pest Management.			

Rationale for separate funding	Council provides two pest management programmes, with different funding policies, separate funding is useful to demonstrate the benefits of each activity.
Overall rationale for funding	As all of the regional benefits from this activity, then the general rate is considered the most appropriate funding source.

Harbour Activities <i>Council supports safe commercial shipping and recreational activities in the regional harbours.</i>	OPEX	Fees & User charges	Navigational aids and communications service	60 percent commercial shipping (collected by CentrePort)
			Education – Enforce maritime safety regulations	Nil
			Pollution clean-up – Oil	Nil
			Pollution clean-up – other	100 percent charge to polluters, where they can be identified and charged
		Subsidies	Pollution clean-up – Oil (only)	95 percent Maritime NZ
		Targeted rate	All	Nil
		General rate	Navigational aids and communications service	40 percent
			Education – Enforce maritime safety regulations	100 percent
			Pollution clean-up – Oil	5 percent
			Pollution clean-up – other	Up to 100 percent
	CAPEX	Borrowings (Debt)	All <i>Not required for Education – Enforce maritime safety regulations</i>	Primary source
		Proceeds from asset sales		When available
		Reserve funds		When available
	Community outcome	Resilient Future		
Purpose / rationale for activity	Council provides this service to support safe commercial shipping and recreational activities in the regional harbours.			

Who benefits? How are the benefits distributed?	<p>Commercial shipping is the major economic beneficiary of this service. Maritime traffic in the harbours benefit from Beacon Hill Communications station, navigational aids, and the enforcement of maritime safety regulations.</p> <p>People using recreational boats and yachts also benefit substantially. Recreational boat users benefit from navigational aids, education programmes, and the enforcement of maritime safety regulations.</p> <p>Other harbour users receive a small benefit from the enforcement of maritime safety regulations. The rest of the region gets some residual benefit.</p>
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	<p>Maritime traffic (commercial and recreational) is the major activity that creates the need for Council to provide navigational aids and safety services.</p> <p>Polluters create the need for monitoring, regulations and clean up services.</p>
Rationale for separate funding	Separate funding via targeted rates is not sensible for this activity, because Council cannot identify and targeted landowners who would be the major beneficiaries of services for activities on and about water.
Overall rationale for funding	<p>Council considers that those who benefit from the activity or contribute the need for the activity should contribute to the recovery of those costs (60 to 100 percent) using fees and charges.</p> <p>The balance after any subsidies and after an allowance for any fees, the general rate is considered the most appropriate funding source.</p>

Regional Parks <i>Council manages a network of regional parks and forests for the community's use and enjoyment. Council works with mana whenua and community groups to protect the</i>	OPEX	Fees & User charges*	Up to 10 percent
		Subsidies	From time to time, Parks receive additional funds, such as the Low Carbon Acceleration fund (LCAF) to fund specific projects in parks.
		Targeted rate	Nil
		General rate	The remainder on general rate (90 percent)
	CAPEX	Borrowings (Debt)	Primary source
		Proceeds from asset sales	When available
		Reserve funds	When available

<i>environment within regional parks</i>			
Community outcome	Thriving Environment, Resilient Future and Connected Communities		
Purpose / rationale for activity	Council provides regional parks for community recreation and enjoyment, and to protect regionally significant landscapes, bush, and heritage features.		
Who benefits? How are the benefits distributed?	<p>Individuals and groups who use the overnight facilities (such as camping) at various regional parks. Organisations that use parks for commercial purposes. This includes, for example-</p> <ul style="list-style-type: none"> • grazing (horses) • film making • outdoor activities • education activities <p>The region and the whole country benefit from being able to enjoy regionally significant landscapes, bush, and heritage features. The whole country benefits from the preservation of nationally significant landscapes, forests, and heritage features.</p>		
Timeframe of benefits	Ongoing		
Does anyone cause Council to provide this service?	No		
Rationale for separate funding	<p>There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its Annual Report.</p>		
Overall rationale for funding	While there are benefits to individuals, groups and commercial organisations that use parks, they contribute by way a fees & charges, and all of the regional benefits from this activity, therefore the general rate is considered the most appropriate funding source for the remainder of funding required.		

**Fees and charges apply to organised events, farming and other leases, license fees and other added value services. Not for park visitors.*

Flood Protection

<p>Flood Protection <i>Council invests in and maintains flood protection and control works to protect lives and economic continuity in the region.</i></p>	OPEX	Fees & User charges	All	Nil
		Subsidies	All	Nil
		Targeted rate	Understanding Flood Risk	Nil
			Maintaining Flood Protection and Control Works	The balance of costs (i.e., 50 – 100 percent) met via targeted rates in the local authority area or via scheme rates or direct contribution from both the direct beneficiaries on the floodplain and the beneficiaries in the economic catchment area.
			Improving Flood Security	
			River Management	The balance of costs, based on capital value and where the land is situated
			Wairarapa River Management (Lower Valley and Waiohine, excl. Upper Ruamahanga)	
			Te Kāuru Catchment	
			Waiōhine River Stopbank	
			General rate	Understanding Flood Risk
		Maintaining Flood Protection and Control Works		Up to 50 percent
		Improving Flood Security		
		River Management		
		Wairarapa River Management (Lower Valley and Waiohine, excl. Upper Ruamahanga)		
Te Kāuru Catchment				

			Waiōhine River Stopbank	
	CAPEX	Borrowings (Debt)	All (Note: None required for Understanding Flood Risk)	Primary source
		Proceeds from asset sales		When available
		Reserve funds		When available
Community outcome	Resilient Future			
Purpose / rationale for activity	Council provides flood protection services to protect the lives and property of people within the region.			
Who benefits? How are the benefits distributed?	<p>Property owners (private, Crown, territorial authorities, others) and residents in flood hazard zones are the major beneficiaries of these activities. They benefit from-</p> <ul style="list-style-type: none"> • information about flood hazards • flood warnings • flood protection structures that directly protect lives and property, and downstream areas. <p>Local communities and catchments benefit from:</p> <ul style="list-style-type: none"> • Information about flood hazards to support land use planning • having their local infrastructure protected (schools, hospitals, roads and emergency lifelines, parks, and reserves). <p>Utilities benefit from:</p> <ul style="list-style-type: none"> • information about flood hazards • flood warnings • flood protection structures that directly protects their infrastructure (electricity transmission, telecoms, etc). <p>The region as a whole benefits from:</p> <ul style="list-style-type: none"> • advice about flood emergencies • any environmental protection that flood protection provides • protected arterial transport routes. <p>Property owners (including utility companies), and residents and flood hazard zones are the major beneficiaries of all these activities. Local communities, (including property owners in flood hazard</p>			

	zones) are also substantial beneficiaries of flood protection and control works in their communities. The community as a whole receives a relatively small share of the benefits.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Because of the substantial private benefits from these activities, and Council's considerable commitment to this group of activities, separate funding provides transparency and accountability benefits.
Overall rationale for funding	The balance of cost (50 to 100 percent) is met via targeted rates in the local authority area, scheme rates or catchment rates

Flood Protection – Drainage Schemes <i>Council conducts regular drainage maintenance for 14 different scheme areas due to historic agreements to help improve the agricultural and horticultural use of land.</i>	OPEX	Fees & User charges	All	Nil
		Subsidies	All	Nil
		Targeted rate	Gravity Drainage Schemes	100 percent Based on \$ per hectare and where the land is situated.
			Pump Drainage Schemes	
	General rate		Nil	
	CAPEX	Borrowings (Debt)	All	Not required
		Proceeds from asset sales		
Reserve funds				
Community outcome	Resilient Future			
Purpose / rationale for activity	Council provides drainage services to improve the agricultural and horticultural use of land in the Wairarapa.			
Who benefits? How are the benefits distributed?	Water and drainage schemes that enable greater productive use of the land			
Timeframe of benefits	On-going			

Does anyone cause Council to provide this service?	The landowners that use the land in the drainage scheme areas.
Rationale for separate funding	There are substantial private benefits from these activities, and the assets are 100 percent privately owned therefore a separate funding provides transparency and accountability benefits.
Overall rationale for funding	Only the private landowners in the scheme areas benefit from this activity, therefore 100 percent of the costs for this activity are worn by the ratepayers in these targeted areas.

Metlink Public Transport

This section includes:

- Public Transport

Public Transport	OPEX	Fees & User charges	Approx. 30 percent of total operating revenue from fares and other user charges over the years of the Long-Term Plan. To maintain the fares share of funding, fares will be adjusted annually with inflation within three percent, subject to Council decisions through annual fares and budget review.
		Subsidies	Level of contribution from Crown agencies, primarily Waka Kotahi is determined by Waka Kotahi's Funding Assistance Rates (51 percent to 100 Percent depending on activity) and co-investment policy.
		Targeted rate	Balance, calculated on ECV, with targeted differentials based on land use, location and provision of service, up to the levels set by the rates (increase) affordability benchmark. <i>Differentials are stated in the funding impact statement.</i>
		General rate	Nil
	CAPEX	Borrowings (Debt)	Primary source – Waka Kotahi does not contribute to debt funding, therefore borrowing is the primary source for capital expenditure.
		Subsidies	Waka Kotahi (50 – 60 percent) Other central government agencies (up to 100 percent) Third party private funding (up to 100 percent)
		Proceeds from asset sales	When available
		Reserve funds	When available
Community outcome	Connected community		
Purpose / rationale for activity	Public transport makes a significant contribution to the region's economic prosperity in a way that is environmentally and socially sustainable.		

Who benefits? How are the benefits distributed?	The region as a whole benefits from reduced emissions, fewer vehicles on the road, safer roads, abilities for tourism and economic dispersal, and more liveable environments. Public transport benefits the people who use it directly, enabling them to get to work, school, retail, and social activities.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Public transport is the single largest activity that Council funds. A mixture of user charges (fares) and targeted rates provide transparency to service users, residents, ratepayers, and funders about the costs and relative shares paid by different groups.
Overall rationale for funding	<p>Council applies user charges (fares) for Individuals/users benefits gained by people who use public transport or receive those a direct benefit.</p> <p>After receiving subsidy, the Council has concluded that the targeted differential ECV rates, taking into account the location and level of service for public transport, is the most appropriate funding source.</p> <p>The target differential categories are based on the following:</p> <ul style="list-style-type: none"> • Residential and location and level of service • Business and location • Rural

Regional Partnerships and Strategy

This section includes:

- Relationships with mana whenua
- Regional transport planning and programmes
- Regional Economic Development
- Emergency management
- Democratic services
- Warm Greater Wellington (Regional initiative)
- Wellington Regional Stadium
- Climate Change
- Transport Analytics Unit (Regional Transport)

Relationships with Mana Whenua <i>Council builds and maintain constructive partnership relationships with iwi and Māori of the region to support Māori participation in decision-making to deliver Council's outcomes.</i>	OPEX	Fees & User charges	Nil
		Subsidies	Te Hunga Whiriwhiri receives occasional grants and subsidies that are used to fund specific mana whenua partners initiatives.
		Targeted rate	Nil
		General rate	100 percent
	CAPEX	Borrowings (Debt)	Not required
		Proceeds from asset sales	Not required
		Reserve funds	Not required
Community outcome	Connected Communities		
Purpose / rationale for activity	This activity enables Council to build and maintain constructive partnership relationships with iwi and Māori of the region.		
Who benefits? How are the benefits distributed?	<p>Councils are obligated to ensure that we work in a partnership approach with mana whenua that enables iwi Māori and kaitiaki to fulfil their obligations as natural managers of the world, through their kaitiaki roles and responsible.</p> <p>Regional communities' benefit from the quality of decision making that is enabled when mana whenua participate in decisions that affect them.</p>		

Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in its Annual Report.
Overall rationale for funding	As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.

Regional Transport Planning and Programmes <i>Council plans for the long-term development of the region's land transport network.</i>	OPEX	Fees & User charges	Regional Transport Planning and Programmes	Nil
		Subsidies		Up to 60 percent (Waka Kotahi)
		Targeted rate		Nil
		General rate		Remaining balance of the funding
	CAPEX	Borrowings (Debt)		Not required
		Proceeds from asset sales		Not required
		Reserve funds		Not required
Community outcome	Connected Communities			
Purpose / rationale for activity	A plan for development of the region's land transport network is essential for integration with territorial authority plans, and to enable the efficient transport of people and goods.			
Who benefits? How are the benefits distributed?	The community as a whole benefits from transport infrastructure planning services.			
Timeframe of benefits	Ongoing			
Does anyone cause Council to provide this service?	No			

Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in Annual Report.
Overall rationale for funding	As all of the regional benefits from this activity, then providing for any subsidies the general rate is considered the most appropriate funding source.

Regional Economic Development <i>Council supports growth and economic development in the region.</i>	OPEX	Fees & User charges	Nil
		Subsidies	Nil
		Targeted rate	100 percent. Charged on differential basis by land use, being: <ul style="list-style-type: none"> - Capital value for businesses - A fixed-rate on residential and rural ratepayers
		General rate	Nil
	CAPEX	Borrowings (Debt)	Not required
		Proceeds from asset sales	Not required
		Reserve funds	Not required
Community outcome	Resilient Future		
Purpose / rationale for activity	Council promotes economic growth and hosts this activity on behalf of the region.		
Who benefits? How are the benefits distributed?	Business communities are the primary beneficiaries of economic growth and increased wealth within the region. The community as a whole benefit to a lesser extent.		
Timeframe of benefits	Ongoing		

Does anyone cause Council to provide this service?	No
Rationale for separate funding	Separate funding enables Council to apply revenue requirements that are consistent with the levels of benefit that different ratepayer categories receive. Separate funding also supports accountability and transparency to the ratepayers who fund the activity
Overall rationale for funding	Businesses greatly benefit from the united approach to attracting visitors and commercial opportunities that actively spend money and enhancing their business. Residents benefit from the enhanced lifestyles with modern amenities, things to see and do, accessibility and a greater sense of security which is vital for health and wellbeing. Therefore, the most appropriate funding source is based on capital value rating for business and CBD category, and a fixed rate on all other properties (residential and rural).

Emergency Management <i>Council contributes to emergency preparedness and management services within the region.</i>	OPEX	Fees & User charges	Territorial authorities in the Wellington Region shall fund the operational and capital costs of WREMO on a pro rata basis using population
		Subsidies	Eligible response costs may be partially reimbursed by government described in clause 89(1) of the National CDEM Plan Order 2015.
		Targeted rate	Nil
		General rate	Contribution at a rate of up to 40 percent of the total WREMO approved budget
	CAPEX	Borrowings (Debt)	Primary source
		Proceeds from asset sales	When available
		Reserve funds	When available
Community outcome	Resilient community		

Purpose / rationale for activity	Wellington region has a wide range of natural hazards (earthquake, flooding, landslides etc.) and hazard risks (biological, chemical, terrorism etc.), and the region needs to be prepared to provide emergency services
Who benefits? How are the benefits distributed?	The community as a whole benefit from these services
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in the Annual Report.
Overall rationale for funding	As all of the regional benefits from this activity, then the general rate is considered the most appropriate funding source.

Democratic Services <i>Council conducts democratic elections that are free from interference. Council supports elected members to engage with their communities and to make informed decisions.</i>	OPEX	Fees & User charges	Nil
		Subsidies	Nil
		Targeted rate	Nil
		General rate	100 percent
	CAPEX	Borrowings (Debt)	Not required
		Proceeds from asset sales	Not required
		Reserve funds	Not required

Community outcome	Connected communities
Purpose / rationale for activity	Democratic services enable citizens and communities to engage with decision makers for the benefit of the region. These services also support Councillors in the performance of their roles
Who benefits? How are the benefits distributed?	The community as a whole benefits from these services.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its Annual Report.
Overall rationale for funding	As all of the regional benefits from this activity, then the general rate is considered the most appropriate funding source.

Warm Greater Wellington – Regional Initiative <i>Council provided funding for home insulation and heating to improve living standards and air quality.</i>	OPEX	Fees & User charges	Nil
		Subsidies	Nil
		Targeted rate	100 percent. This targeted rate is applied to ratepayers that choose to opt-in to the scheme. They are also charged a 7 percent interest for the lending.
		General rate	Nil
	CAPEX	Borrowings (Debt)	Not required
		Proceeds from asset sales	Not required
		Reserve funds	Not required

Community outcome	Resilient community
Purpose / rationale for activity	Good quality insulation helps keep the heat in during winter and out during summer. This makes houses easier and cheaper to heat properly, and more comfortable and healthier to live in.
Who benefits? How are the benefits distributed?	The major beneficiaries are those ratepayers who use the scheme. Wainuiomata and Masterton will also benefit when their airsheds no longer breach air quality standards.
Timeframe of benefits	This scheme is no longer accepting applications. Those who are still paying back their loan are due to be completed by 2032.
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Separate funding enables Council to target those who benefit from the activity.
Overall rationale for funding	As the major beneficiaries are those ratepayers who take up the funding and specific areas, then a target rate is considered the most appropriate funding source

Wellington Regional Stadium	OPEX	Fees & User charges	Nil
		Subsidies	Nil
		Targeted rate	A differential targeted rate based on location and capital value
		General rate	Nil
	CAPEX	Borrowings (Debt)	Primary source
		Proceeds from asset sales	Not required
		Reserve funds	Not required
Community outcome	Strong economy		
Purpose / rationale for activity	The Sky Stadium holds significant events, such as concerts and sports that bring significant social, cultural and economic benefits to the Region. To capitalise these benefits for the region, it is important that we support the stadium with matters such as earthquake strengthening and maintenance.		

Who benefits? How are the benefits distributed?	<p>The benefits of the stadium extend across the region because of its ability to host a diverse range of events and attract a diverse range of visitors who may use their time to explore the region. However, the benefits of the stadium are greater for those within a closer proximity.</p> <p>Wellington residents and businesses receive the most benefits as they have the easiest access to the stadium and the vast numbers of visitors to the stadium use the surrounding area for accommodation, food and entertainment.</p>
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Other than the benefit associated with targeted rates, no additional benefit was identified.
Overall rationale for funding	<p>These events are for everyone in the region to enjoy their favourite sports, music, cultural events, fairs and so much more. The positive flows from diverse events improve mental health and wellbeing for people in the region.</p> <p>The stadium improves the hospitality industry closest to the infrastructure, providing services to the vast number of visitors to the events. It also creates more opportunities for sponsorship, advertising and mobile businesses.</p> <p>For residents up the Kāpiti Coast or in the Wairarapa, access to the stadium is limited as the distance to travel is considerable, making their benefit less than the other TA areas.</p> <p>Therefore, a differential targeted rate based on capital value is considered the most appropriate funding source:</p> <ul style="list-style-type: none"> • Wellington CBD – 2 • All other Wellington properties – 1.2 • Porirua City, Hutt City, Upper Hutt City – 1 • Kāpiti Coast District, Wairarapa territorial authority areas – 0.5

Climate Change <i>Council works both within our organisation and regionally to reduce emissions and prepare for the impacts of climate change.</i>	OPEX	Fees & User charges	Nil
		Subsidies	Nil
		Targeted rate	Nil
		General rate	100 percent
	CAPEX	Borrowings (Debt)	Not required
		Proceeds from asset sales	Not required
		Reserve funds	Not required
Community outcome	Resilient Future and Thriving Environment		
Purpose / rationale for activity	Council must consider our ability to remedy or mitigate the effects of climate change, as well as demonstrating leadership to our communities in emission reductions.		
Who benefits? How are the benefits distributed?	The community as a whole benefits from these services.		
Timeframe of benefits	Ongoing		
Does anyone cause Council to provide this service?	No		
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its Annual Report.		
Overall rationale for funding	As all of the regional benefits from this activity, then the general rate is considered the most appropriate funding source.		

Transport Analytics Unit (Regional Transport) <i>Council manages the delivery of transport modelling and analytics to regional stakeholders</i>	OPEX	Fees & User charges	Approx. 1/3 Council contributions <ul style="list-style-type: none"> - <i>Hutt City Council</i> - <i>Porirua City Council</i> - <i>Kāpiti Coast District Council</i> - <i>Wellington City Council</i> - <i>Greater Wellington Regional Council</i> Approx. 1/3 Waka Kotahi
		Subsidies	Approx. 1/3 Waka Kotahi FAR matching Council contributions
		Targeted rate	Nil
		General rate	Greater Wellingtons contribution approx. 25 percent
	CAPEX	Borrowings (Debt)	Not required
		Proceeds from asset sales	Not required
		Reserve funds	Not required
Community outcome	Connected Communities		
Purpose / rationale for activity	The operation of Wellington Transport Analytics Unit is to deliver transport modelling and analytics to regional stakeholders, improving the consistency of analytics across the region and delivering best value to stakeholders		
Who benefits? How are the benefits distributed?	Greater Wellington, Waka Kotahi, Regional TLA partners and major projects being undertaken in the Wellington Region (e.g. Riverlink) will benefit from the modelling and analytics being undertaken by WTAU		
Timeframe of benefits	On-going		
Does anyone cause Council to provide this service?	No		

Rationale for separate funding	Funding transport analytics distinctly from other services has benefits for transparency and accountability.
Overall rationale for funding	Funding to support the GWRC contribution towards the operation of the Wellington Transport Analytics Unit.

Water Supply

This section includes:

- Water Supply

Bulk Water Supply <i>Council provides bulk water to Wellington Water Limited (WWL) who manages the water network and provides drinking water to shareholding territorial authorities (Wellington city, Hutt city, Upper Hutt city, and Porirua city).</i>	OPEX	Fees & User charges	Up to 100 percent volumetric levy on the participating territorial authorities. The remaining balance applied to other bulk water users.
		Subsidies	Nil
		Targeted rate	Nil
		General rate	Nil
	CAPEX	Borrowings (Debt)	Primary source
		Proceeds from asset sales	When available
		Reserve funds	When available
Community outcome		Strong economy, healthy environment, resilient community	
Purpose / rationale for activity		Clean, safe drinking water is absolutely essential for life. It also has a range of other important uses: <ul style="list-style-type: none"> • residential purposes (gardens, swimming pools) • community purposes (parks, swimming pools, schools, hospitals, turf, and other recreation services). • industrial purposes (hygiene, other uses). 	

Who benefits? How are the benefits distributed?	The participating territorial authorities benefit from: <ul style="list-style-type: none"> • being able to provide potable water for their residents • the efficiency of a coordinated water collection, treatment, and distribution system
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Water is supplied in bulk to territorial authorities; a volumetric levy is a fairer and more efficient funding tool. Funding water supply services distinctly from other services has benefits for transparency and accountability.
Overall rationale for funding	Volumetric levy (95 percent – 100 percent) on the participating territorial authorities and other user charges may also be applied to other bulk water users is considered the most appropriate funding source.

Appendices – The General Rate

The following activities are funded, fully or partial, using the General Rate. They have been deemed by council to have benefits that are region-wide and applicable to all rating categories on a Capital Value basis.

Environment	Biodiversity and Biosecurity	
	Key Native Ecosystems (KNE) programme	100 percent
	‘Other’ Biosecurity activities	100 percent
	Regional predator control programme	100 percent
	Regional pest management plan	80-100 percent
	Harbour Management	
	Navigational aids and communications service	40 percent
	Education – Enforce maritime safety regulations	100 percent
	Pollution clean-up – Oil	5 percent
	Pollution clean-up – other	Up to 100 percent
	Resource management	
	Policy and planning	100 percent
	State of the environment monitoring	80 – 90 percent
	Compliance & enforcement and pollution prevention	Up to 100 percent for investigations where a liable party cannot be identified.
	Environment Restoration Activities	
	Environment restoration programme	Up to 75 percent
	Environment restoration advice	100 percent
	Erosion schemes	Up to 50 percent
	Nursery operations	Up to 10 percent
	Regional Parks	90 percent
	Flood Protection	
	Understanding food risk	100 percent
	Maintaining flood protection and Control works	Up to 50 percent
	Improving flood security	Up to 50 percent
	River management	Up to 50 percent
	Wairarapa river management (lower valley and Waiohine, excl. Upper Ruamahanga)	Up to 50 percent

	Te Kāuru catchment	Up to 50 percent
	Waiōhine river stopbank	Up to 50 percent
Regional Strategy & Partnerships	Democratic services	100 percent
	Emergency management	Up to 40 percent
	Mana whenua engagement	100 percent
	Regional Transport Planning and Programmes	Approx. 50 percent
	Climate change	100 percent
	Transport analytics unit (regional transport)	Approx. 25 percent