

Revenue and Financing - Funding Needs Analysis

Purpose

This Funding Needs Analysis provides the background and analysis to explain the funding decisions considered by Bay of Plenty Regional Council (Council). It is guided by the financial principles documented in the Financial Strategy.

Council must comply with the Local Government Act (2002) (LGA) section 101(3). For each activity Council must determine the appropriate sources of funding that will meet the funding needs of each activity. Council will take into consideration:

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

Once the above analysis is done Council then considers the overall impact of any allocation of liability for revenue needs on the community.

The application of these requirements is subjective and provides Council with considerable latitude for judgement. The legislation places no more or less weight or priority on any one of the factors. Appendix One contains a general assessment of operating and capital funding against these factors.

Previous reviews

Council has incorporated a review of its Revenue and Financing Policy into every Long Term Plan process. The funding needs analysis to date has been incorporated in its entirety in the previous Revenue and Financing Policy.

At each review, Council may choose to reconsider all of the options for funding each activity or some particular activities. The Funding Needs analysis is adopted in support of the Revenue and Financing Policy, rather than fully incorporated.

Funding bands

The Revenue and Financing Policy is intended to be in place for the next three years before it is reviewed. Current good practice is to set bands rather than specific funding percentages to allow for minor changes over time e.g. a one off subsidy or grant.

The Revenue and Financing Policy will use the bands in table 1 below. The final setting of rates is based on the Funding Impact Statements for the relevant year.

Table 1: Funding bands

| Name | Percentage range |
|-------------|------------------|
| Nil | 0% |
| Unlikely | 0% - 20% |
| Moderate | 40% - 60% |
| Likely | 60% - 80% |
| Very Likely | 80% - 100% |
| All | 100% |

Activity analysis

Council must consider the funding for each activity in a way that relates exclusively to that activity. Distinct funding enables ratepayers or payers of user charges to assess more readily whether or not the cost of the service provided to them either directly or indirectly represents good value for money.

Appendix Two contains an assessment of the proposed funding bands for each activity. This assessment identifies the most likely sources of income for each activity. In all cases, general rates fund the balance of the activity after all other sources have been maximised.

Overall, the biggest changes through the Long Term Plan are for passenger transport and emergency management. Passenger Transport has increased targeted rates and no general funds for Tauranga, Rotorua, Western Bay and Whakatane bus services. Bay of Plenty Civil Defence Emergency Management has changed from a 50/50 share between regional council general funds and grants from district/city councils to 100% targeted rate. The detailed changes in funding sources for these activities are shown in table 2 below.

Through the Statement of Proposal to amend the Revenue & Finance Policy 2019/20 it is proposed to introduce new targeted rates to partially fund two activities. These are for the Community Engagement Activity, to provide transparency of revenue collected for regional safety and rescue services, and for the Regional Infrastructure Activity to allow for possible infrastructure funding that benefits specific geographic areas. The detailed changes in funding sources for these activities are shown in table 3 below.

Table 2: Proposed changes to funding sources introduced in LTP 2018-2028

| Activity | Previous funding source (as per Annual Plan 17/18) | Funding source LTP 2018-2028 (average over the LTP 2018-2028) |
|---------------------------------|--|---|
| Passenger Transport | | |
| Tauranga Passenger Transport | Grants and subsidies 39% | Grants and subsidies 39% |
| | Fees and charges 25% | Fees and charges 25% |
| | Targeted rates 20% | Targeted rates 36% |
| Rotorua Passenger Transport | General funds 16% | General funds 0% |
| | Grants and subsidies 31% | Grants and subsidies 36% |
| | Fees and charges 36% | Fees and charges 25% |
| Western Bay Passenger Transport | Targeted rates 20% | Targeted rates 39% |
| | General funds 13% | General funds 0% |
| | n/a | Grants and subsidies 44% |
| | | Fees and charges 13% |
| | | Targeted rates 43% |

| | | |
|---|--------------------------|--------------------------|
| Whakatane Passenger Transport | n/a | Grants and subsidies 41% |
| | | Fees and charges 19% |
| | | Targeted rates 40% |
| Regional Passenger Transport | Grants and subsidies 29% | Grants and subsidies 31% |
| | Fees and charges 7% | Fees and charges 1% |
| | General funds 64% | General funds 68% |
| Emergency Management | | |
| Bay of Plenty Civil Defence Emergency Management Group (sub-activity) | Grants and subsidies 50% | Targeted rates 100% |
| | General funds 50% | |
| Data Services | | |
| Data Services | Overhead allocated | General funds 80% |
| | | Fees and charges 20% |

Table 3: Proposed changes to funding sources - Revenue and Finance Policy Statement of Proposal 2019/20

| Activity | Funding Source (as per LTP 2018-2028) | Proposed funding source (as per R&FP SOP 2019/20 - average over LTP 2019/20) |
|---|---------------------------------------|--|
| Regional Planning and Engagement | | |
| Community Engagement | General Funds 100% | General funds 80% |
| | | Targeted rates 20% |
| Regional Development | | |
| Regional Infrastructure | Reserves or Loans 100% | Reserves or Loans 80% |
| | | Targeted rates 20% |

Overall funding consideration

Council is required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.

Council may waive or discount fees and charges where it considers it appropriate to do so.

Council may remit rates where it considers it appropriate to do so and as documented in the Rates Remissions Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).

Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.

Other relevant policies

Revenue and Financing Policy

Appendix One Legislative assessment of funding considerations

The following table outlines the general considerations for funding against the legislative requirements of the Local Government Act (2002) section 101(3)(a). This has been used to contribute towards the activity specific funding considerations in Appendix Two.

Table 3: Legislative assessment of funding considerations

| LGA s101(3)(a) | Operating funding considerations | Capital funding considerations |
|--------------------------|---|---|
| Community outcomes | Council determines which of its four community outcomes an activity contributes to. Council has an indirect link between community outcomes and funding sources based on the specific considerations for each activity. | A capital project is expected to contribute to the community outcomes in the same way as the activity in which it is funded, unless Council resolves otherwise. |
| Distribution of benefits | Determining distribution of benefit is subjective and is for Council to determine. Council will consider how the benefit of an activity applies to households, businesses and the community as a whole. Generally individual benefits lead to fees and charges, location based benefits lead to targeted rates, and wide community benefits leads to general rates. | The distribution of benefits is expected to be the same as that for the operating expenditure of the activity in which it is funded, unless Council resolves otherwise. Council may choose to target those people or organisations who primarily benefit through lump sum options or targeted rates. |
| Period of benefit | For most operating expenditure the benefit is received in the year the expense is incurred. For most activities Council will cash fund depreciation (an operating expense) from revenue sources and this, along with other surplus cashflow, will be used to fund capital expenditure for asset renewal or debt repayments. Some operational expenditure (provisions) may have a benefit over multiple years and so Council may choose to fund the activity over that period. | For most capital projects the benefit is received over the life of the asset. Council will have regard to the equitable distribution of costs to each generation for the building and renewal of the asset. Funding depreciation and interest are the primary ways to spread the cost of the asset over its life. |
| Who creates the need | Some things Council must do because the actions or inactions of individuals or groups creates the need to undertake the activity. Council may choose to target these people or organisations through fines, charges or rates. | Some capital projects are required by the actions or inactions of individuals or groups creates the need to undertake the activity. Council may choose to target these people or organisations through targeted rates. |
| Separate funding | Council must consider the practicalities of separate funding along with transparency and accountability. In some cases while it may be desirable to charge individuals there may be no practical way of doing so. With regard to the rates contribution, the costs and benefits of separate rating mechanisms for separate activities should be weighed up. Council does not wish to make a complex rating system which is expensive to maintain and confusing to interpret as this will not contribute to improved transparency and accountability. | Council must consider the practicalities of separate funding along with transparency and accountability. In some cases while it may be desirable to charge individuals there may be no practical way of doing so. |

Appendix Two Funding analysis for each activity

Integrated Catchment Management

Activity – Tauranga Harbour

The Tauranga Harbour activity integrates the environmental work we do in the Tauranga Harbour and its catchments, from Waihi to Pāpāmoa Beach and inland through the Kaimai Range. The catchment includes Tauranga City, the largest urban centre in the Bay of Plenty. We work with our partners and community to ensure a healthy and thriving harbour and catchment that contributes to our wellbeing today and in the future.

The Tauranga Moana Programme has been established to coordinate, prioritise and deliver on all our work related to improving the health of the harbour and its catchment. Tauranga City Council, Western Bay of Plenty District Council and the Regional Council are partners in the Programme, allowing an adaptive and collaborative management approach. The Programme is overseen by the Tauranga Moana Advisory Group which includes representatives from Tauranga Moana Iwi Collective and Councillors from the three councils.

| Legislative assessment of funding considerations for operating and capital expenditure | |
|--|--|
| Link to community outcomes | <input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life |
| Who benefits? | The benefits of the activity are distributed evenly across the community. Regional benefits arise from protection and restoration of the Harbour and improved scientific knowledge of the coastal environment. Local benefits accrue to residents in the sub-region due to their immediate proximity and access to the Harbour. The activity provides benefits to individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements. |
| Time frame of benefits | The benefits of expenditure, relating to current planning and delivery of protection work, are both short and long-term, with cumulative benefits as environmental well-being improves over time. The activity is provided continuously, with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses. |
| Individuals and groups creating demand for service | A wide range of community sectors drive the need for this activity, including people who interact with the water in the Harbour, and the landowners in the wider catchment who cause nutrients and contaminants to reach waterways that feed into the Harbour. |
| Rationale for funding mix | <p>The coastal environment is a public asset and activities to manage it provide regional benefits. However, it is clear that those living on or near the coast receive a greater benefit from sustainable coastal management than those living inland.</p> <p>The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice.</p> |
| Operating funding mix | <p>80-100 percent general funds; 0-20 percent other revenue.</p> <p>This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p> |

Legislative assessment of funding considerations for operating and capital expenditure

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| Capital funding mix | There are no significant capital costs. |
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Activity – Rotorua Lakes

The Rotorua Lakes activity integrates the delivery of services within the Rotorua Lakes catchments including implementing lake water quality action plans, investigating lake restoration options, supporting ongoing research and monitoring interventions.

The Rotorua Te Arawa Lakes Programme has been established to coordinate, prioritise and deliver on all our work related to improving the health of the Rotorua Lakes. Te Arawa Lakes Trust, Rotorua Lakes Council and the Regional Council are partners in the Programme, which is part-funded through a Deed of Funding Agreement with the Crown.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> Freshwater for life |
| Who benefits? | <p>This activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise where a nationally-significant water body is protected or restored. Local and individual benefits arise for those who live near or adjacent to lakes protected or restored.</p> <p>The activity provides benefits to individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.</p> |
| Time frame of benefits | <p>The benefits of the current expenditure, relating to current planning and delivery of protection work, are both short and long-term, with cumulative benefits as environmental well-being improves over time. The activity is provided continuously with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses. Long-term benefits arise from capital expenditure on physical works such as structures to restore the Rotorua lakes.</p> |
| Individuals and groups creating demand for service | <p>Exacerbators include a range of land uses (particularly the primary sector) and households with septic tanks plus those individuals or groups of individuals who act in ways that are incompatible with sustainable management of our water resources. A significant component of exacerbation is historic land use, with some natural contributions from geothermal discharge. Regulatory controls are now in place to cap the current level of discharge from rural activities.</p> <p>Past and present landowners have contributed to a need to improve land management practices. Current landowners require advice to sustainably manage land.</p> <p>Examples include over-extraction from our water resources in periods of drought or discharges of contaminants that have more than minor adverse environmental effect.</p> |
| Rationale for funding mix | <p>Since the activity benefits a range of sectors described above, a combination of sources are required to fund the costs of services provided by the activity.</p> <p>The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice.</p> <p>While all residents of the region benefit from sustainable water management, resource users receive greater benefits than other landowners. Where possible beneficiaries and exacerbators of the work undertaken on the investigation and management of our water resources are recovered via Resource Management Act (RMA) Section 36 charges.</p> |

Legislative assessment of funding considerations for operating and capital expenditure

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| Operating funding mix | <p>Projects on the four priority lakes - Rotorua, Rotoiti, Rotoehu and Ōkāreka - are funded from the Rotorua Lakes Deed: 50 percent from Central Government (through the Ministry for the Environment); 25 percent from general funds and 25 percent from targeted rates. Projects not covered by the Rotorua Lakes Deed are funded 50 percent general funds and 50 percent targeted rates from the Rotorua District (differentiated by land area).</p> <p>Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate. Expenditure for projects covered by the Deed that is carried forward from previous years will be funded from the Rotorua Lakes Deed Funding reserve. Operating costs for land use change to reduce nutrients in the catchments of the Rotorua Lakes will be funded 50 percent from existing reserves and 50 percent from Central Government (through the Ministry for the Environment).</p> <p>This funding mix recognises the equal benefit of the Lakes activity to those in the Rotorua district (local and individual) and those outside (regional and national). At the same time it also recognises that, while those within the district contribute more to the need for the activity, some of the adverse effects have been caused over many years in the past, or by geothermal influences.</p> <p>The Rotorua Lakes targeted rate model is based on land area differential applying fixed rates to each of three land area categories (0-1.999 hectares, 2-9.999 hectares and greater than 10 hectares).</p> |
| Capital funding mix | 50 percent of funding comes from Central Government (through the Ministry for the Environment) under the Rotorua Lakes Deed. The remaining 50 percent plus non-Deed sub-activities are funded through existing reserves. |

Activity – Kaituna

The Kaituna activity integrates the environmental work we do in the catchments of the Kaituna River and Te Awa o Ngatoroirangi / Maketu Estuary, the Pongakawa River and Waihi Estuary, and the Waitahanui Stream. The activity includes implementation of the prioritised actions identified in the Kaituna River and Ongatoro/Maketū Estuary Strategy (2009), and will implement priorities in Te Maru o Kaituna River Authority's new Kaituna River Document.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life |
| Who benefits? | <p>The benefits of the activity are distributed evenly across the community. Regional benefits arise from sustainable management of natural and physical resources, and achievement of community outcomes, in an integrated way within the region. Local benefits arise from addressing issues associated with water and soil quality and quantity, biodiversity, coastal protection and enhancement through landowner / occupier agreements, tangata whenua, industry partnerships and community care group activity.</p> <p>The activity benefits individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.</p> |
| Time frame of benefits | <p>The benefits of the current expenditure, relating to current planning and delivery of protection work, are both short and long-term in nature, with cumulative benefits accruing as environmental well-being improves over time. The activity is provided on a continuous basis with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses.</p> |
| Individuals and groups creating demand for service | <p>Present landowners and occupiers; pastoral, horticulture, forestry, rural, urban regional community require advice to protect and enhance biodiversity, water and soils, and the coastline.</p> <p>The political and legislative landscape including obligations to Māori created by the Treaty of Waitangi settlements, iwi and hapū management plans, the RMA and LGA.</p> <p>The National Policy Statement on Fresh Water (NPSFW) directs local government to manage water and land use in an integrated and sustainable way, allowing economic growth to occur within set water quality and quantity limits.</p> |
| Rationale for funding mix | <p>The coastal environment is a public asset and activities to manage it provide regional benefits. However, it is clear that those living on or near the coast receive a greater benefit from sustainable coastal management than those living inland.</p> <p>The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice.</p> <p>While all residents of the region benefit from sustainable water management, resource users receive greater benefits than other landowners.</p> |
| Operating funding mix | <p>80-100 percent general funds; 0-20 percent grants and subsidies.</p> <p>Project costs for Kaituna/Maketū Estuary Strategy implementation are funded through investment reserves.</p> <p>This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p> |

Legislative assessment of funding considerations for operating and capital expenditure

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| Capital funding mix | The capital work for the Kaituna River Re-diversion and Te Awa o Ngatoroirangi/Maketū Estuary Enhancement Project in the Ongatoro/Maketū Estuary will provide protection long-term. Capital is funded from reserves or by loans. |
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Activity – Eastern Catchments

The Eastern Catchments activity integrates the environmental work we do in the multiple catchments from Ōtamarākau east. In particular it supports Ōhiwa Harbour Strategy, the Tarawera, the Rangitāiki, and the Waiōtahe catchments, and the Eastern Coast Care programme.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life |
| Who benefits? | <p>The benefits of the activity are distributed evenly across the community. Regional benefits arise from sustainable management of natural and physical resources, and achievement of community outcomes, in an integrated way within the region. Local benefits arise from addressing issues associated with water and soil quality and quantity, biodiversity, coastal protection and enhancement through landowner / occupier agreements, tangata whenua, industry partnerships and community care group activity.</p> <p>The activity benefits individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.</p> |
| Time frame of benefits | <p>The benefits are both short and long-term. The activity is provided continuously, with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses. Cumulative benefits also accrue as environmental well-being improves over time.</p> |
| Individuals and groups creating demand for service | <p>Present landowners and occupiers; pastoral, horticulture, forestry, rural, urban regional community require advice to protect and enhance biodiversity, water and soils and the coastline. The political and legislative landscape including obligations to Māori created by the Treaty of Waitangi settlements, iwi and hapū management plans, the RMA and LGA. The National Policy Statement on Fresh Water (NPSFW) directs local government to manage water and land use in an integrated and sustainable way, allowing economic growth to occur within set water quality and quantity limits.</p> |
| Rationale for funding mix | <p>The coastal environment is a public asset, and activities to manage it provide regional benefits. However, it is clear that those living on or near the coast receive a greater benefit from sustainable coastal management than those living inland. The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice. While all residents of the region receive benefits from sustainable water management, resource users receive greater benefits than other landowners.</p> |
| Operating funding mix | <p>80-100 percent general funds; 0-20 percent other revenue, 0-20 percent grants and subsidies.</p> <p>This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p> |
| Capital funding mix | <p>There are no significant capital costs.</p> |

Activity – Regional Integrated Catchment Management

The Regional Integrated Catchment Management activity delivers the regional work associated with sustainable water and land use, including biodiversity. This activity facilitates the sustainable management of natural and physical resources, and achievement of community outcomes in an integrated way within the region.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> Freshwater for life |
| Who benefits? | <p>The benefits of the activity are distributed evenly across the community. Regional benefits arise from sustainable management of natural and physical resources, and achievement of community outcomes, in an integrated way within the region. Local benefits arise from addressing issues associated with water and soil quality and quantity, biodiversity, coastal protection and enhancement through landowner / occupier agreements, tangata whenua, industry partnerships and community care group activity.</p> <p>The activity provides benefits to individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.</p> |
| Time frame of benefits | <p>The benefits are both short and long-term. The activity is provided continuously, with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses. Cumulative benefits also accrue as environmental well-being improves over time.</p> <p>Short-term - relating to current planning and delivery of restoration and protection work.</p> |
| Individuals and groups creating demand for service | <p>Present landowners and occupiers; pastoral, horticulture, forestry, rural, urban regional community require advice to protect and enhance biodiversity, water and soils and the coastline.</p> <p>The political and legislative landscape including obligations to Māori created by the Treaty of Waitangi settlements, iwi and hapū management plans, the RMA and LGA.</p> <p>The National Policy Statement on Fresh Water (NPSFW) directs local government to manage water and land use in an integrated and sustainable way, allowing economic growth to occur within set water quality and quantity limits.</p> |
| Rationale for funding mix | <p>The advice provided to individual landowners provides public good from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice.</p> <p>While all residents of the region receive benefits from sustainable water management, resource users receive greater benefits than other landowners.</p> |
| Operating funding mix | <p>100 percent general funds.</p> <p>This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p> |
| Capital funding mix | <p>There are no significant capital costs.</p> |

Flood Protection and Control

Activity – Rivers and Drainage Schemes

The Rivers and Drainage Schemes activity involves ownership, management and maintenance for the five major and 37 minor rivers and drainage schemes. The activity also comprises other programmes such as the Kopeopeo Canal Remediation Project.

Our river and drainage scheme responsibilities include providing flood protection stop banks, flood pump stations, floodgates and erosion control structures and constructing flood ways. We also carry out regular maintenance of structures, stream clearing and lake level monitoring and management of Lakes Rotorua and Rotoiti.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input checked="" type="checkbox"/> Safe and resilient communities <input type="checkbox"/> A vibrant region |
| Who benefits? | The river scheme sub-activities have public (local, regional and national) and private benefits. The private benefits accrue to individual landowners and occupiers through the protection of lives, livelihoods and property. Local benefits occur because a range of public facilities, infrastructure and services receive security from flooding. Private and local benefits account for the greatest proportion of benefit from the sub-activity. Regional and national benefits arise because productive land, in flood prone areas provides an economic benefit through the multiplier effect to the wider region and nation. |
| Time frame of benefits | The benefits are both short and long-term. The activity is provided continuously, with the Asset Management Plan being implemented, monitored and reviewed over time. Long-term benefits arise from on-going protection of land from anticipated future increases in flood events. Cumulative benefits also accrue as land management practices (for example, soil conservation and stream protection works) improve in the scheme catchment over time. |
| Individuals and groups creating demand for service | People whose actions or inaction cause damage to scheme works are exacerbators. The Council has a regulator mechanism – the Floodway and Drainage Bylaw – to control these exacerbators. The land use practices of landowners that increase the amount of rainfall runoff into the catchment’s network of waterways increase the required capacity of the schemes to cope with flood events |
| Rationale for funding mix | <p>A mix of funding tools is required to reflect the wide range of benefits that the schemes provide to different groups and individuals. The significant amount of activity-specific capital costs suggests a need for a mix of short and long-term funding tools.</p> <p>These benefits are drained land for production.</p> <p>Those within a scheme who, in addition to their share of national and regional benefits, also receive local or individual benefits from the scheme should contribute additional funding to reflect those benefits. These local and individual benefits make up the vast proportion of the benefits from the scheme, and a targeted rate is therefore the best funding tool to recover the associated costs.</p> |

Legislative assessment of funding considerations for operating and capital expenditure

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| | <p>The targeted rate based on where the land is situated within the scheme and land area within each rating unit would most accurately match the apportionment of benefits.</p> <p>The general rate is value-based as the benefits are to the property as well as regionally.</p> |
| Operating funding mix | <p>River Schemes; 0-20 percent general funds; 60-80 percent targeted rates to catchment- land area differential; 0-20 percent other revenue; 0-20 percent grants and subsidies; 0-20 percent reserves.</p> <p>Targeted rates recognise the private benefits to properties in the catchment. They are struck on the basis of a given per hectare rate that has been calculated for each of a number of sub catchments. The general funding component reflects economic benefit from protection of productive property and infrastructure falling equally to people across the region.</p> <p>Rangitāiki Drainage Scheme; 80-100 percent targeted rates for the land area differential; 0-20 percent other revenue; 0-20 percent grants and subsidies. The targeted rate land area differential reflects private benefits in proportion to property land area.</p> <p>The Minor Rivers Schemes are funded 100 percent from targeted rates.</p> <p>Minor River Schemes (Ōpōtiki); 80-100 percent targeted rates and 0-20 percent general funds. Three of the Minor River Schemes in the Ōpōtiki area have 20 percent general funding to recognise the regional benefit from protection of the transport network, and 80 percent targeted funding to reflect private benefit.</p> <p>Non Scheme works; 100 percent general funds.</p> |
| Capital funding mix | <p>River and drainage capital expenses provide long-term protection and are funded through reserves, loans, or capital grants. Major flood repair projects will be funded from borrowing and some insurance recoveries are forecasted.</p> <p>Project costs for the Kopeopeo Canal Remediation Project are to be funded through reserves, and funding from the Ministry for the Environment.</p> |

Activity – Regional Flood Risk Coordination

The Regional Flood Risk Coordination Activity provides leadership, management, information and advice to manage flood risks and flood hazards in the Bay of Plenty.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> Safe and resilient communities |
| Who benefits? | The activity provides region-wide benefits by providing advice on flood management throughout the region. |
| Time frame of benefits | The benefits are both short and long-term. The activity is provided continuously. Long-term benefits from flood management manuals, and the design of structural and non-structural flood mitigation measures. |
| Individuals and groups creating demand for service | No major exacerbators. |
| Rationale for funding mix | Flood risk co-ordination provides benefits across the region. The majority of the costs should be met by the region as a whole. Where specific advice is provided for private benefit of an individual or organisation, the Council will seek to recover the portion of the cost that is a private benefit. Owners of high-value land have more to lose from poor catchment management than owners of low value land. The land value general rate is therefore an appropriate funding tool for this sub-activity. |
| Operating funding mix | 100 percent general funds. The general funding component reflects economic benefit from protection of productive property and infrastructure falling equally to people across the region - land area differential. |
| Capital funding mix | There are no significant capital costs. |

Resource Regulation and Monitoring


Activity – Biosecurity

The Biosecurity activity manages pests in the region through the Regional Pest Management Plan (RPMP), providing regional leadership in pest plant and pest animal management. The activity also supports national initiatives under agreements with external agencies, including Ministry for Primary Industries and Department of Conservation.

| Legislative assessment of funding considerations for operating and capital expenditure | |
|--|--|
| Link to community outcomes | <input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> A vibrant region |
| Who benefits? | This activity provides a mix of national, regional, local and individual/land owner benefits. National benefits arise from the prevention of pest spread to other regions. The regional benefit arises through protecting community values, including biodiversity and ecosystem services. Landowners also obtain a private benefit through having threats to their production removed. |
| Time frame of benefits | The benefits are both short and long-term. The activity is provided on a continuous basis and is monitored and reviewed over time. Cumulative benefits accrue as environmental well-being is maintained or improves over time. |
| Individuals and groups creating demand for service | Past and present landowners have contributed to a need to improve land management practices. Current landowners require advice to effectively manage pests. Regulatory tools are used to control and mitigate the effects of potential exacerbators. Central Government through the Biosecurity Act 1993. |
| Rationale for funding mix | For initiatives that provide national benefits, the Council will seek recovery from the Ministry for Primary Industries (MPI) and Biosecurity NZ on a cost recovery basis. Substantial benefits to some landowners and occupiers through productivity gains and to the greater community through protecting biodiversity and ecosystem services. |
| Operating funding mix | 80-100 percent general funds, 0-20 percent other revenue. Benefits accrue to the national and regional communities from sustainable land use. The benefits to property indicates value-based rate. Note: The 0-20 percent nominated above is an average recovery of costs for the activities. It does not constitute a target cost recovery but indicates an on-going average level of funding from other public funding. |
| Capital funding mix | There are no significant capital costs. |

Activity – Air Quality

The Air Quality activity focuses on regional air quality through regional planning for air management under the Resource Management Act 1991, monitoring of air issues and operating the Rotorua Clean Air programme.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes |  A healthy environment |
| Who benefits? | A significant proportion of the benefits are distributed across the Rotorua community. There are also wider regional public benefits from reduction in air pollution, particularly public health and regional amenity benefits for Rotorua as a domestic and international destination. |
| Time frame of benefits | The benefits are both short and long-term. The activity is provided continuously. The main period of benefit is the present to 2020 where there are no more than three exceedances of the air quality standard after 1 September 2016, and no more than one exceedance after 1 September 2020. |
| Individuals and groups creating demand for service | Exacerbators are predominantly homes with inefficient heating appliances, and to a lesser extent, air discharges from industry or business |
| Operating funding mix | 40-60 percent general funds, 40-60 percent uniform targeted rate to the Rotorua urban area. A uniform targeted rate (a fixed charge per property in the Rotorua urban area) is the best proxy for equal individual benefit across the area. General funds reflect wider benefits and a regional commitment to address significant problems wherever in the region these occur. |
| Capital funding mix | There are no significant capital costs that are specific to the above activity. Hot Swap loans are funded from external or internal loans and recovered through a targeted rate for properties within the Rotorua Airshed area that have received a loan from the Council under the Clean Heat Conversion scheme. |

Activity – Resource Consents

The Resource Consent activity processes and makes decisions on resource consent applications under the Resource Management Act 1991 and/or rules in our regional plans, ensuring statutory requirements are fulfilled and a fair process for decision-making on regional natural resource use is followed.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life |
| Who benefits? | <p>Those who benefit most directly from this activity are the consent applicants who seek resource consent (a resource allocation). They pay a direct charge (actual and reasonable costs) for this service.</p> <p>This activity benefits the Bay of Plenty region. It ensures through allocation that the development and use of the natural and physical resources in the region is sustainable for ratepayers and residents.</p> |
| Time frame of benefits | <p>The benefits are both short and long-term. The activity is provided continuously. The duration of benefits for individuals is determined by the term of the consent issued. The long-term benefit is the sustainable management of scarce natural resources balancing competing demands for future generations.</p> |
| Individuals and groups creating demand for service | <p>Those individuals and businesses who undertake activities that require resource consents are exacerbators.</p> |
| Rationale for funding mix | <p>Consent processing provides substantial benefits to consent holders. The benefits, separately funded through user fees and charges (Section 36 charges), exceed the costs. The remaining benefits from providing information and advice to the public about the consents process and rules in our plans are spread evenly across the regional community.</p> |
| Operating funding mix | <p>40-60 percent general funds; 40-60 percent fees and charges.</p> <p>The Council's aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that maximises recovery of actual and reasonable costs of the private good component of this activity. This currently equates to approximately 40-60 percent user charges. This is an average recovery of costs for the whole activity. It does not constitute a target cost recovery but indicates an on-going average level of funding from fees and charges. The balance of costs after user charges (approximately 40-60 percent of the total activity cost) is met by general funding. General funds are used to recover costs which deliver a public good, those which cannot be recovered for statutory reasons and other costs which cannot be recovered efficiently from private beneficiaries</p> |
| Capital funding mix | <p>There are no significant capital costs.</p> |

Activity – Regulatory Compliance

The Regulatory Compliance activity is made up of three main components; compliance monitoring of resource consents, responding to environmental complaints and enforcing compliance with the Resource Management Act, Regional Plans and National Regulations and Standards. The aim of the activity is to ensure development activities involving water, geothermal, air, land and coastal resources do not negatively impact on the natural environment or put people’s health at risk.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life |
| Who benefits? | The activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise from minimising the potential impact on people and the natural environment caused by contaminated land. Local and individual benefits arise because adjacent resource users. |
| Time frame of benefits | The activity provides both immediate short-term benefits (for example, compliance monitoring and enforcement) and long-term benefits (for example, managing contaminated sites). The activity is provided on a continuous basis. |
| Individuals and groups creating demand for service | Identified exacerbators include consent holders for individuals, industries and businesses, and previous landowners who have contaminated land. |
| Rationale for funding mix | <p>Monitoring resource consent compliance is 100 percent cost recovered through Section 36 charges. If enforcement is required for a breach of a regional plan and a resource consent is not involved, costs may be recovered through infringement notices and prosecutions.</p> <p>The bulk of our response and proactive activities are not currently recovered although the Council endorses the 'polluter pays' principle. The most cost-effective funding method is user charges. General funds will be used where costs cannot be recovered by other means</p> |
| Operating funding mix | <p>60-80 percent general funds; 20-40 percent fees and charges.</p> <p>The Council's aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that maximises recovery of actual and reasonable costs of the private good component of this activity. This currently equates to approximately 20-40 percent user charges. This is an average recovery of costs for the whole activity. It does not constitute a target cost recovery but indicates an on-going average level of funding from fees and charges.</p> <p>The balance of costs after user charges (approximately 60-80 percent of the total activity cost) is met by general funding. General funds are used to recover costs which deliver a public good, those which cannot be recovered for statutory reasons and other costs which cannot be recovered efficiently from private beneficiaries. Regulatory compliance costs that are a result of current consent holder or polluter activities are not subsidised from general funding. The Council aims to recover 100 percent of private good or exacerbator driven costs.</p> |
| Capital funding mix | There are no significant capital costs. |

Activity – Maritime Operations

The Maritime Operations activity ensures navigation safety and maritime oil spill response is provided 24/7 in the Bay of Plenty region as required by regulations and Council requirements. Our goal is to ensure that all our users operate safely and in harmony with one another and the environment to ensure our waters are available for the prosperity and enjoyment of future generations.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | Safe and resilient communities |
| Who benefits? | The activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise from minimising the likelihood of maritime accidents that have an impact on people and the natural environment, including oil pollution response. Local and individual benefits arise because navigation aids help commercial and recreational vessels to avoid accidents and the associated financial and personal costs. |
| Time frame of benefits | The benefits are both short and long-term. The short-term initiatives are providing immediate mitigation and response to maritime incidents to immediately benefit the community. Long-term benefits include providing designated areas (such as shipping channels, mooring areas, and recreational use) in Council's frameworks. |
| Individuals and groups creating demand for service | Individuals who carry out unsafe navigation safety practices are potential causes of accidents. The exacerbators of the marine oil pollution are those who use or transport petrochemical products in the marine environment. The activity is a necessary 'insurance policy' against the possibility of oil spills. |
| Rationale for funding mix | To reflect the national and regional benefits for both people and the environment from ensuring safe use of the region's navigable waterways, a regional contribution towards the costs of navigation safety is required. To reflect the individual and private privileges from mooring commercial operations, boat owners/operators pay a representative proportion of the costs of the activity. The most appropriate tools to recover these costs are fees and charges on owners and operators. The polluter of maritime oil incidents will meet the majority of the costs of Council's oil spill response. |
| Operating funding mix | 60-80 percent general funds; 20-40 percent fees and charges; 0-20 percent grants and subsidies. Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region. User charging through mooring charges and Port levies are set to the level that fully recovers the actual and reasonable costs of the private good component of this activity. Note: The 20-40 percent nominated above is an average recovery of costs for the activities. It does not constitute a target cost recovery but indicates an on-going average level of funding from user charges. |
| Capital funding mix | There are some capital costs associated with purchasing and maintaining maritime safety equipment to provide the services of the activity. Capital is funded from the asset replacement reserve, through the cash surplus created by depreciation, or by loans. |

Transportation

Activity – Passenger Transport

The Passenger Transport activity enables and makes available a range of safe and reliable transport options to improve economic efficiency and environmental sustainability.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> A vibrant region |
| Who benefits? | <p>This activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise because passenger transport services allow all people (both residents and visitors) to move from place to place through the efficient use of transport networks, and by reducing the economic and social costs of congestion.</p> <p>Local benefits from passenger transport services arise for those who live in close proximity to the services. Differential local benefits also arise depending on the level of service available in local communities.</p> <p>Private benefits accrue to those using passenger transport services.</p> <p>The rural service provides national and regional benefit from improved mobility and efficient transport networks. Local benefit is uneven across the region, as some rural centres have higher levels of service. There is also individual benefit to users.</p> |
| Time frame of benefits | The benefits are both short and long-term. The services are provided continuously. Cumulative benefits accrue over time as shifts take place from private vehicles to passenger transport and as people travel more by passenger transport. |
| Individuals and groups creating demand for service | Increased population generally contribute to the need for additional passenger transport services. Different service levels are required by different areas. Individuals or groups of users are charged through the fare box. |
| Rationale for funding mix | <p>Increased service levels have begun to be delivered. Different levels of benefit are provided to communities across the region based on their level of service for their location. In order to provide clear links to areas where a higher level of service is provided, a targeted rate for bus services is based on location.</p> <p>Private beneficiaries (in this instance passenger transport users) are charged directly through fares.</p> |
| Operating funding mix | <p>Tauranga Passenger Services: 20-40 percent grants and subsidies; 20-40 percent fees and charges; 20-40 percent targeted rates.</p> <p>Rotorua Passenger Services: 20-40 percent grants and subsidies; 20-40 percent fees and charges; 20-40 percent targeted rates.</p> <p>Western Bay Passenger Services: 40-60 percent grants and subsidies; 0-20 percent fees and charges; 40-60 percent targeted rates</p> <p>Whakatāne Passenger Services:</p> |

Legislative assessment of funding considerations for operating and capital expenditure

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| | 40-60 percent grants and subsidies; 0-20 percent fees and charges; 40-60 percent targeted rates Regional Services: 20-40 percent grants and subsidies; 60-80 percent general funds |
| Capital funding mix | Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation. |

Activity – Transport Planning

The Transport Planning activity provides for regional land transport planning mandated by the Land Transport Management Act 2003 (LTMA).

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> A vibrant region |
| Who benefits? | This activity provides benefits that are evenly distributed across the region. It plans for a safe, integrated, sustainable and responsive land transport system that provides benefits to all people (both residents and visitors). National benefits also arise because the benefits of transport planning in the Bay of Plenty are received by visiting land transport users from outside the region. |
| Time frame of benefits | The benefits of are both short and long-term. The activity is provided continuously, with transport planning documents regularly reviewed and updated. Cumulative benefits accrue over time as well-being increases due to improvements to the quality of land transport networks and services in the Bay of Plenty. |
| Individuals and groups creating demand for service | Business groups, industry, residents, visitors all expect a safe and efficient transport network. |
| Rationale for funding mix | The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings. |
| Operating funding mix | 60-80 percent general funds; 20-40 percent grants and subsidies. Benefits are evenly spread across the region's population. General Funds are the best available proxy for benefit to all people in the region. |
| Capital funding mix | There are no significant capital costs. |

Regional Development


Activity – Regional Infrastructure

The Regional Infrastructure activity provides funding for infrastructure projects by third parties in the Bay of Plenty. Funding assistance is provided for projects that were successful through the contestable Regional Infrastructure Fund process that was run in 2014 and through direct funding to local Councils for sewerage reticulation and treatment systems, and transport infrastructure.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input type="checkbox"/> Freshwater for life <input checked="" type="checkbox"/> A vibrant region |
| Who benefits? | The activity has a can include projects with either regional or local benefit if they deliver Council’s community outcomes. The assessment framework will ensure that the appropriate beneficiaries of each project are defined, which may be region-wide or sub-regional. |
| Time frame of benefits | The benefits are both short and long-term. Short-term benefits include the increased ability to seek other funding sources and economic benefits from construction. Cumulative benefits arise over time as funded projects deliver their expected outcomes. |
| Individuals and groups creating demand for service | No identifiable exacerbator for Regional Infrastructure Grants. Third party infrastructure funding benefits individuals within the area the infrastructure is provided. |
| Rationale for funding mix | Council has a strong balance sheet and can provide bridging funding to third parties to get the infrastructure project completed. The benefit of the funding is specific to the group benefiting from the infrastructure so a targeted rate will be applied. |
| Operating funding mix | The direct cost of the grants could be paid for from reserves or debt, particularly for upfront costs, but this would be recovered through general funds if there was a region wide benefit, or through targeted rates if the benefit is limited to a certain geographic area. Costs to administer the activity are managed within other activities. |
| Capital funding mix | There are no capital costs. |

Activity – Regional Economic Development

The Regional Economic Development activity provides leadership, facilitation and support across the region for economic development. The focus of this programme is our economic development strategy, Bay of Connections. The activity works with industry, local and central government and other key stakeholders across the region and the country to implement the portfolio of sector strategies, including the Regional Growth Programme, in partnership with central government. There are currently 13 key industry areas, and we work with additional industry sectors as the need arises.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes |  A vibrant region |
| Who benefits? | The activity provides benefits across the region by coordinating sustainable development actions regionally. It also provides national benefits by increasing the Bay of Plenty's contribution to the national economy. |
| Time frame of benefits | The benefits are both short and long-term. The activity is provided on a continuous basis. Cumulative benefits arise over time as economic well-being improves. |
| Individuals and groups creating demand for service | No identifiable exacerbator. |
| Rationale for funding mix | While it may be desirable for transparency reasons to fund the activity separately through an equal charge across the region, the size of the activity does not warrant separate funding. |
| Operating funding mix | 100 percent general funds. General funds are used as economic development in the region provides a benefit proportionate to existing wealth, where property value is used as a proxy for wealth. |
| Capital funding mix | There are no significant capital costs. |

Activity – Regional Parks

The Regional Parks activity provides ownership and management of Regional Parks; currently Pāpāmoa Hills Regional Park and Onekawa Te Māwhai Regional Park, for cultural heritage protection and recreation purposes.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input checked="" type="checkbox"/> A vibrant region |
| Who benefits? | This activity provides benefits across the region. Visitors to the region also benefit from being able to enjoy and use the regional parks. |
| Time frame of benefits | The benefits of current expenditure are both short and long-term. Short-term benefits arise from the current park operation, and long-term benefits arise because assets are available for present and future generations. |
| Individuals and groups creating demand for service | The demand for this service is considered to be community-wide, with no one particular group or organisation creating the demand. |
| Rationale for funding mix | The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings. |
| Operating funding mix | 80-100 percent general funds, 0-20 percent user fees and charges. Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region. |
| Capital funding mix | Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation. |

Regional Planning and Engagement

Activity – Regional Planning

The Regional Planning activity provides the Council with planning and policy advice. It includes development of strategies, policies and plans to identify how the natural and physical resources in the region are to be managed. This activity sets the Bay of Plenty Regional Council's strategic direction.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input checked="" type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> Freshwater for life <input type="checkbox"/> Safe and resilient communities <input type="checkbox"/> A vibrant region |
| Who benefits? | Benefits are distributed evenly across the regional community. All members of the regional community can access the same information and contribute to the Council's strategic direction on resource management matters. |
| Time frame of benefits | The benefits are short-term. The Council's statutory policy is regularly reviewed as new information comes to hand or when required by legislation. |
| Individuals and groups creating demand for service | Where the sustainable management of natural resources are put at risk, there is need for planning responses. Council also has a statutory responsibility under the Resource Management Act to sustainably manage natural resources. |
| Rationale for funding mix | The evenly spread nature of the benefits from this sub-activity across the region mean that the activity's costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings. |
| Operating funding mix | 100 percent general funds. Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region. |
| Capital funding mix | There are no significant capital costs. |


Activity – Māori Policy

The Māori Policy activity provides strategic advice, support and leadership on Māori relationship management, engagement and policy, to ensure we meet our statutory responsibilities to Māori in the region. We have some 37 iwi entities, over 260 hapū and 224 marae. There are approximately 1,800 management structures covering over 5,000 Māori land blocks. As of 2017, there are 17 comprehensive Treaty claims settled and several more in progress. Also included is the He Toka Tumoana Scholarship has been created to commemorate the late Councillor Awanuiarangi Black. It assists students by providing financial support for education, activities, research and/or projects.

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| Link to community outcomes | <input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life |
| Who benefits? | The Māori Policy activity benefits the regional community by ensuring that Māori are effectively engaged in decision making to meet our statutory obligations. |
| Time frame of benefits | The benefits are region-wide, both immediate and into the future. This activity is provided continuously. |
| Individuals and groups creating demand for service | Demand for this activity has come from Māori as they seek to be more actively involved in the Council's decision making. |
| Rationale for funding mix | <p>The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings.</p> <p>There are no particular costs or benefits for separate funding of this activity. Each is separately reported and budgeted for reasons of transparency and accountability.</p> |
| Operating funding mix | <p>100 percent general funds.</p> <p>Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region.</p> |
| Capital funding mix | There are no capital costs. |

Activity – Geothermal

The Geothermal activity provides co-ordination of the geothermal programme and the development of a second generation Geothermal Planning framework under the Resource Management Act (RMA). The Regional Policy Statement requires development of System Management Plans (SMPs) for Tauranga and Rotorua systems, and development of broader regional plan provisions to clarify the status of several systems. These SMPs will provide the basis for plan changes to the Regional Water and Land Plan, which are needed to enhance our ability to sustainably manage the region’s geothermal resource.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes |  A healthy environment |
| Who benefits? | The benefits are region wide, both immediate and into the future. There is some private benefit to individual geothermal users. |
| Time frame of benefits | The benefits are both short and long-term and the activity is provided continuously. Cumulative benefits also accrue as environmental well-being improves over time. |
| Individuals and groups creating demand for service | Exacerbators include those individuals or groups of individuals who act in ways that are incompatible with sustainable management of our geothermal resources. |
| Rationale for funding mix | Benefits distributed evenly over regional community. |
| Operating funding mix | 100 percent general funds. Value basis is used to reflect the protection and preservation of property. |
| Capital funding mix | There are no capital costs. |

Activity – Community Engagement

The Community Engagement activity leads planning, facilitation and advice support across the Council, advising on legislative procedure requirements. Community engagement through specific programmes builds awareness, involvement, engagement and education to help achieve Council's objectives across the community, inclusive of all ages and sectors. A key focus for the activity is the water programme, working across the wider community.


The activity manages the Community Fund which includes the Environmental Enhancement Fund (EEF) and the Community Initiatives funding (CIF). EEF provides seed funding for community groups to improve the environment, raise environmental awareness and use the enthusiasm and skills of the community. The EEF programme also includes the He Mātāpuna Akoranga ā Hāwea Vercoe – Hāwea Vercoe Commemoration Fund, which has been set up to provide seed funding to Bay of Plenty Kura Kaupapa Māori, Kohanga Reo and bilingual schools for projects that achieve environmental outcomes.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input type="checkbox"/> A vibrant region |
| Who benefits? | This activity supports and advises Councillors and staff within the Regional Council and works alongside the region's seven territorial authorities, Māori, community members, young people in families and schools. Businesses, community groups, schools and individuals from across the region all benefit from this activity. EEF activities benefits community groups, residents, schools and other stakeholders throughout the region. |
| Time frame of benefits | Although EEF and CIF projects are often completed within relatively short time-frames (typically within a 12 month cycle) with immediate benefits for the environment and community, there are often additional benefits to the environment and community as the project becomes more established as a result of the seed funding. Much of the work undertaken is in a support role with benefits that can take a significant amount of time to realise. |
| Individuals and groups creating demand for service | The demand for this service is considered to be community-wide, with no one particular group or organisation creating the demand. Individuals and community groups seeking funding and support for community projects have driven the demand for this activity. |
| Rationale for funding mix | The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings. |
| Operating funding mix | The Community Engagement activity is primarily funded through general rates. However, a portion may be collected via a targeted rate to support funding of charitable safety and rescue services. Benefits are evenly spread across the region's population. |
| Capital funding mix | There are no significant capital costs. |

Activity – Governance Services

The Governance Services activity supports the democratic structure and processes of the Council. The activity assists the Council in decision-making processes and supports elected members in providing good governance in an open and transparent manner. Governance Services are responsible for the representation structure, the administration of the triennial elections, elected members' remuneration and expenses and ensuring Council, committee and co-governance meetings comply with legislative requirements. Costs associated with the Chief Executive's office are included in the Governance activity.

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| Link to community outcomes |  A vibrant region |
| Who benefits? | Benefits are distributed evenly across the regional community. The elected members of Bay of Plenty Regional Council represent all members of the region's community. |
| Time frame of benefits | The benefits are short-term. Governance Services are provided continuously. |
| Individuals and groups creating demand for service | While lobby groups could be considered exacerbators, it is not practical to determine the extent to which these groups increase the cost of governance. |
| Rationale for funding mix | The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this even spreading of costs would be a UAGC on individual dwellings. |
| Operating funding mix | 100 percent general funds. Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region. |
| Capital funding mix | There are no significant capital costs. |


Emergency Management

Activity – Emergency Management

The Emergency Management activity provides Civil Defence Emergency Management (CDEM) services to the Council, as well as regional emergency management leadership.

Along with all Councils in the region, Bay of Plenty Regional Council is a member of the Bay of Plenty Civil Defence Emergency Management Group and the administering authority for the Group. This Group establishes and maintains arrangements that ensure co-ordination and communication happens, and that support is available when it's needed.

Alongside the CDEM Group, Emergency Management Bay of Plenty is a shared service arrangement between Councils in the region which delivers some CDEM activities and works with our communities to increase understanding and awareness of our hazard-scape.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes |  Safe and resilient communities |
| Who benefits? | This activity provides benefits to all people and property owners in the region, as emergencies can occur anywhere in the region. It enables co-ordinated planning and response to regional civil defence emergencies, which can occur at any location at any time. There is also national benefit arising from protection of nationally significant infrastructure. |
| Time frame of benefits | The benefits of current expenditure are short-term in nature. Civil Defence Emergency Management is provided on a continuous basis. The CDEM Group needs the ability to prepare for and respond to emergency events now and in the future. |
| Individuals and groups creating demand for service | The demand for the CDEM Group's service is considered to be community-wide, with no one particular group or organisation creating the demand. Emergency Management BOP's services are provide as requested by territorial authorities. |
| Rationale for funding mix | <p>The CDEM Group provides benefits that are distributed evenly across the regional community.</p> <p>Regional Council funding of Civil Defence Emergency Management is a statutory requirement and is matched by territorial authorities in the region based on the CDEM Group Plan.</p> <p>Emergency Management BOP assists with services requested by territorial authorities in the region. They enable co-ordinated planning and response to regional civil defence emergencies.</p> |
| Operating funding mix | <p>Bay of Plenty Civil Defence Emergency Management Group:</p> <p>100 percent targeted rates</p> <p>Emergency Management Bay of Plenty:</p> <p>40-60 percent targeted rate; 40-60 percent grants and subsidies</p> <p>Lifelines:</p> <p>100% other revenue</p> <p>A separate differential targeted rate is applied to each rating per territorial authority location to fund this activity to make it clear to ratepayers how much they are contributing for this activity.</p> |

Legislative assessment of funding considerations for operating and capital expenditure

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| Capital funding mix | Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation. |
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Technical Services

Activity – Geospatial

The Geospatial activity provides maps, other visual aids, mapping applications and data analysis to support decision making and aid in understanding issues facing our community. The activity supports Council to perform its regulatory function across a number of activities including: Integrated Catchment Management, Civil Defence and Emergency Management, Community Engagement, Regional Flood Risk Coordination, Regulatory Compliance and various planning activities.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input type="checkbox"/> Safe and resilient communities <input type="checkbox"/> A vibrant region |
| Who benefits? | The activity provides region-wide benefits by providing mapping services throughout the region. |
| Time frame of benefits | The benefits are both short and long-term as the activity is provided continuously. |
| Individuals and groups creating demand for service | The demand for this service is considered to be community-wide, with no one particular group or organisation creating the demand. |
| Rationale for funding mix | The activity provides region-wide benefits in both short and long-term. Regional benefits are from mapping services on historical and new development areas. Solutions often cross territorial authority boundaries. |
| Operating funding mix | 100 percent general funds. Benefits are spread across the region's population. General funds are the best available proxy for benefit to all people in the region. |
| Capital funding mix | Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation. |

Activity – Engineering

The Engineering activity provides technical advice and support across Council, ensuring that Council assets are well planned and designed and development is undertaken in a manner that does not create unnecessary risk or adverse effects. The activity is responsible for maintaining and updating asset management plans and the Council’s infrastructure strategy.

| Legislative assessment of funding considerations for operating and capital expenditure | |
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| Link to community outcomes | <input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input checked="" type="checkbox"/> Safe and resilient communities <input type="checkbox"/> A vibrant region |
| Who benefits? | The activity provides region-wide benefits by providing advice on integrated catchment management throughout the region. |
| Time frame of benefits | <p>The benefits are both short and long-term. The activity is provided continuously.</p> <p>Regional benefits by providing advice on natural hazard mitigation to existing and new development areas. Solutions often cross territorial authority boundaries.</p> |
| Individuals and groups creating demand for service | The impact of on-going and intensive land development is the most significant contributor to the need for the activity. |
| Rationale for funding mix | The activity provides region-wide benefits by providing advice on integrated catchment management throughout the region. |
| Operating funding mix | <p>100 percent general funds.</p> <p>The benefits are both short- and long-term. The activity is provided continuously.</p> <p>Regional benefits by providing advice on natural hazard mitigation to existing and new development areas. Solutions often cross territorial authority boundaries.</p> |
| Capital funding mix | There are no significant capital costs. |

Activity – Data Services

The Data Services activity supports Council activities through the collection, analysis and monitoring of a range of natural resources data in the Bay of Plenty. These data enable Council to meet the increasing standards, data management and reporting requirements arising from new legislation, particularly the National Policy Statement for Freshwater and the National Objectives Framework. The activity facilitates assessment of the region’s performance against such national guidelines and standards, as well as the efficiency and effectiveness of our Regional Policy Statement and regional plans.

| Legislative assessment of funding considerations for operating and capital expenditure | |
|--|--|
| Link to community outcomes | <input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input type="checkbox"/> Safe and resilient communities |
| Who benefits? | The benefits of Data Services activity are distributed across the regional community, with landowners potentially receiving the largest benefit from the monitoring of environmental issues. |
| Time frame of benefits | The benefits are both short and long-term as the activity is provided continuously. |
| Individuals and groups creating demand for service | The demand for this service is considered to be community-wide, with no one particular group or organisation creating the overall demand. Identified exacerbators include consent holders for individuals, industries and businesses, and previous landowners who have contaminated land. |
| Rationale for funding mix | The activity provides region-wide benefits in both the short and long-term. Regional benefits are from monitoring environmental issues in existing and new development areas. Solutions often cross territorial authority boundaries. Monitoring benefits consent holders as well as the general public. The most effective funding method is therefore to fund a proportion of costs from consent holders (Section 36 RMA charges) and a proportion of costs from general rates. |
| Operating funding mix | 60-80 percent general funds; 20-40 percent fees and charges. The Council’s aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that ensures recovery of actual and reasonable costs of the private good component of this activity. This currently equates to approximately 20-40 percent user fees and charges. This is an average recovery of costs for the whole activity. It does not constitute a target cost recovery but indicates an ongoing average level of funding from fees and charges. The balance of costs is met by general funds. General funds are used to recover costs which deliver a public good, those which cannot be recovered for statutory reasons and other costs which cannot be recovered efficiently from private beneficiaries. |
| Capital funding mix | Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation. |

Activity – Science

The Science activity provides accessible, relevant and trusted science that empowers others to make informed decisions on water, air, land use and geothermal, for our region’s well-being. The activity supports projects across Council by providing clear direction, sound tools and methods, the right expertise, good information management and linkages that enable the sustainable development of natural resources across the region.

| Legislative assessment of funding considerations for operating and capital expenditure | |
|--|--|
| Link to community outcomes | <input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input type="checkbox"/> Safe and resilient communities |
| Who benefits? | The benefits of the Science activity are distributed across the regional community, with landowners potentially receiving the largest benefit from the identification and monitoring of environmental issues. However, monitoring of the state of and trends in the natural environment provide input to regional environmental management on behalf of all the region’s residents. |
| Time frame of benefits | The benefits of current expenditure are short-term - current expenditure relates to current monitoring. The activity is provided continuously, based on the understanding that the value of the data, and the investment in collecting it, is enhanced as more data is collected. |
| Individuals and groups creating demand for service | Consent holders who hold consents to discharge contaminants or extract resources are exacerbators. They also benefit from regional knowledge about the state or quality of resources. |
| Rationale for funding mix | Natural environment regional monitoring benefits consent holders as well as the general public. The most effective funding method is therefore to fund a proportion of costs from consent holders (Section 36 RMA charges) and a proportion of costs from general rates. |
| Operating funding mix | <p>80-100 percent general funds, 0-20 percent fees and charges.</p> <p>The Council's aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that ensures the recovery of actual and reasonable costs of the private good component of this activity. This currently equates to approximately 0-20 percent user charges. This is an average recovery of costs for the whole activity. It does not constitute a target cost recovery but indicates an ongoing average level of funding from fees and charges. The balance of costs after user charges (approximately 80-100 percent of the total activity cost) is met by general funds. General funds are used to recover costs which deliver a public good, those which cannot be recovered for statutory reasons and other costs which cannot be recovered efficiently from private beneficiaries.</p> |
| Capital funding mix | Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation. |