Supporting Information

Pārongo tautoko

This section sets out our significant forecasting assumptions along with statements of our Council Controlled Organisations, a summary of our Significance and Engagement Policy and our Revenue and Financing Policy.

Significant forecasting assumptions

Matapae Matua

New Plymouth District Council (NPDC) has adopted a range of forecasting assumptions. These assumptions represent a likely future scenario. However, as with any forecasting, how the future turns out is uncertain. Therefore, variations from these forecasting assumptions are likely. This, in turn, means that the prospective financial statements are likely to vary from the information presented and these variations may be material.

Our people

Population

The district's population will grow from 89,000 in 2024 to 98,800 in 2034 and to 110,400 by 2054. NPDC forecasts that the district's population will grow over the next 30 years as follows.

	2024	2029	2034	2039	2044	2049	2054
Population	89,000	93,500	98,800	102,400	106,400	108,500	110,400

NPDC obtained the projection from Infometrics population projection model from the online tool. The infometrics population projection model is economically driven, using regional employment forecasts to inform the net migration projection. The approach builds upon the established cohort component approach, meaning it considers how births, deaths, migration, household formation and labour force participation affect the population at each stage of life. This means the projection reflects both demographic processes and the economic prospects of New Plymouth.

Growth assumptions underpin NPDC's asset and activity management planning and planned capital expenditure budgets in the Long-Term Plan (LTP). Any increase in population is likely to result in a proportionate increase in demand on Council services. This is through additional growth infrastructure, as well as services to people where an increase in population is likely to lead to more use. If population growth exceeds these projections, NPDC may need to invest in additional urban growth infrastructure and this will impact capital budgets and revenue. There is also a risk that forecast population growth does not occur, or occurs at a slower rate. NPDC carries some risk of over investment in growth infrastructure. As the cost of growth assets are generally recovered through development contributions, NPDC would bear the debt for capital expenditure until those growth areas were utilised.

There is a medium level of uncertainty. Uncertainty arises from changes to births, deaths, inward migration and outward migration levels. If these factors change from the projection then the assumption will not be borne out.

Impact. Discussion on the impact of this uncertainty is discussed in association with the rate of residential dwelling growth.

Estimated population

89,000 *in 2024*

Increasing by

9,800 people

between *2024 and 2034*

Ethnicity

Overall, the population is expected to continue to predominately be European and Māori. The Māori community is expected to increase the most from around 20 to 24 per cent over the next 10 years.

	European and other	Māori	Asian	Pacific
2024	86%	20%	7%	3%
2034	85%	24%	9%	4%

There is a low level of uncertainty. Uncertainty arises from changes to births, deaths, inward migration and outward migration levels. If these factors change from the projection then the assumption will not be borne out. NPDC needs to consider the ethnic makeup of the district to ensure its services are accessible across the population, including different cultural views on certain services.

Impact. This will also have an impact on how NPDC engages effectively with the community.

Ethnic makeup

20% of people *in 2024* in New Plymouth said they identified as **Māori** growing to **24%** *in 2034*

Age

Overall, the population is expected to continue to age, with most growth occurring in the over 65 age groups. By 2034, over 65 year olds will be approximately 23 per cent of the total population, up from 20 per cent in 2024. There will be modest growth in other age brackets, but they will decline as a proportion of the total population.

	2024	2034	2054
0-14 years	19%	16%	15%
15-39 years	29%	31%	30%
40-64 years	31%	29%	30%
65+ years	20%	23%	25%

There is a low level of uncertainty. Uncertainty arises from changes to births, deaths, inward migration and outward migration levels. If these factors change from the projection then the assumption will not be borne out.

Impact. An ageing population may impact a range of Council services. These include accessibility issues (see the assumption on accessibility issues for more information), demand for back door kerbside collection services, changes to libraries, and housing for the elderly. There will also be an increase in the proportion of ratepayers on fixed incomes, which may increase rates affordability issues. A more rapidly ageing population will result in many of these issues needing to be considered earlier, either resulting in increased investment to make the district more aged friendly or increased dissatisfaction with services (which may impact on performance of level of service). A slower ageing population will provide more time to invest in making the district aged friendly and may mean some planned investment is earlier than necessary to maintain levels of service.

Ageing population

By 2034 it's estimated that around **23%** of our population will be over **65** *years*

Accessibility

New Plymouth District's current accessibility limitations will increase as a proportion of the district as the older generation increases. The table below shows the estimated 2024 data for those reporting one or more activity limitations, by age, for people in New Plymouth District and New Zealand.

	Under 15 years	15-29 years	30-64 years	65+ years
New Plymouth	3.1%	4.3%	5.0%	19.9%
New Zealand	2.8%	3.4%	4.7%	20.5%

If the proportion of people per age group with an activity limitation continues in line with the 2018 Census proportions, then the overall percentage of the population with an accessibility issue in New Plymouth District will increase from 7.5 per cent in 2024 to 8.5 per cent in 2034 and 9.2 per cent in 2054.

There is a low level of uncertainty. Uncertainty arises from the potential changes to the district's population and changes to the age profile. If these factors change from the projection then the assumption will not be borne outs.

Impact. Alongside an ageing population, this will impact accessibility limitations on a range of Council services. These include accessibility issues in urban design, parks and the transport network (e.g. footpaths), back door kerbside collection services, changes to libraries and housing for the elderly. NPDC aims to ensure all people can use services and facilities and to be able to get around our city easily. There may also need to be changes in housing typology and design to cater for accessibility needs, as well as changes to retail stores and commercial premises.

Accessibility

The proportion of people with accessibility issues will increase from

7.5% to

8.5% *by 2034*

Our dwellings

Residential dwellings

Using the population projection, dwelling projections are calculated using a cohort component approach, involving the analysis of living arrangements for each age and gender cohort, and converting these figures into household numbers. The National Policy Statement on Urban Development 2020 (NPS-UD) then requires NPDC to provide the necessary infrastructure for this level of demand plus an additional over-capacity buffer (termed as a competitiveness margin in clause 3.22 of the NPS-UD).

	2024-2029	2029-2034	2034-2039	2039-2044	2044-2049	2049-2054
Houses required annually	275	383	341	318	319	252
NPS-UD capacity required	330	460	392	365	367	290
Difference	55	77	51	48	48	38
Average household size	2.50	2.52	2.51	2.50	2.47	2.43

A decline in average household size in New Plymouth is expected, driven by an ageing population, growing life expectancy, and societal trends. The average household size in New Plymouth is projected to decline from an estimated 2.5 individuals per household in 2024 to 2.43 individuals in 2054. This will also lead to a likely diversification of housing needs and therefore the types of houses being built.

There is a medium level of uncertainty. Uncertainty arises from whether population growth rates meet forecast levels (see assumption), the subdivision and house building markets, as well as from household formation and housing trends. If these factors change from the projection then the assumption will not be borne out.

Impact. The rate of new dwellings is a significant factor in ensuring the district has enough housing and sufficient housing options to meet demand. Residential development increases pressure on the capacity of NPDC's infrastructure (roads, sewers, stormwater, water and open space) and service delivery and can result in the need to upgrade existing and/or develop new infrastructure and services.

Overall growth is expected to focus in and around New Plymouth City (including Bell Block). Some growth is also expected to occur in small townships. The following table outlines the forecast growth in additional dwellings.

The location of growth affects the provision of infrastructure and services within the district. An area that develops slower or more quickly than expected will influence what new or upgraded infrastructure NPDC (and other infrastructure providers) have to deliver. NPDC plans for growth infrastructure relating to particular developments at a given time, and may have to either bring that infrastructure forward, or delay, it depending on actual development timeframes. The LTP forecasts that Kāinga Ora – Homes and Communities (Kāinga Ora) will not use its statutory powers for urban development and regeneration within the district to a scale that impacts on NPDC's revenue or expenditure. In particular, the LTP does not include any financial impacts of Kāinga Ora undertaking developments, such as reduced development contribution revenue for NPDC. Further, the LTP forecasts that a special purpose vehicle (SPV) under the Infrastructure Funding and Financing Act 2020 will not be established to deliver infrastructure in the district.

Estimated dwellings

Increase by 2034

3,953

395 houses annually

New Plymouth + 2,000
Bell Block + 830
Ōākura + 190
Inglewood + 140
Waitara + 310
Rural + 500

Household size

Average household size is **expected to drop** from

2.50 to 2.43

by 2054

Our economy

Gross Domestic Product (GDP)

NPDC anticipates that New Plymouth District's economy will grow at similar levels to the national average. Using the latest information from BERL, NPDC anticipates that national GDP is projected to increase in the short term and peak at three per cent in 2028. It will slowly decrease for the remainder of the plan at an average of 2.4 per cent out to 2034.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Forecast % growth	1.1%	1.6%	2.5%	2.8%	3.0%	2.8%	2.8%	2.5%	2.4%	2.4%

There is a medium level of uncertainty. Uncertainty arises as local economic growth and activity is driven by national and global economies and politics. Change and fluctuations in these larger economies and the political landscape have high likelihood of impacting our local economy.

Impact. Existing and planned NPDC infrastructure and services will be sufficient to meet growth in demand generated by the anticipated recovery growth in economic activity. If economic growth and activity were to increase significantly beyond the predictions of this assumption, there may be an increase in demand on NPDC infrastructure and services. If a lower rate of economic growth occurs then this will have implications for population growth and therefore the rate of residential development, these risks are outlined in the relevant forecasting assumptions.

Gross Domestic Product

Estimated to grow slowly over the next five years and peak at

3% *in 2028/29*

Employment and the labour force

The unemployment rate for the district, as measured by the percentage of working age population, was 3.5 per cent in New Plymouth similar to New Zealand at 3.4 per cent in 2022. This data is sourced from Statistics New Zealand's Household Labour Force Survey. BERL does not anticipate a further decrease in the unemployment rate, which is already at historically low level. Eventually unemployment will begin to rise. NPDC forecasts that the district's unemployment rate will track close to the national forecast unemployment rate. NPDC expect unemployment to rise over the life of the plan to 5.5 per cent in 2034. This will be a result of an increase in the supply of labour, as a result of migration, combined with lower demand from organisations due to declining activity.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Forecast % growth	5.0%	5.2%	5.2%	5.1%	5.0%	5.0%	5.2%	5.4%	5.5%	5.5%

There is a medium level of uncertainty. Uncertainty arises as local economic growth and activity is driven by national and global economies and politics. If these factors change from the projection then the assumption will not be borne out.

An increase in employment is likely to positively benefit the district's population and the local economy. High employment rates result in higher household income and an increase in discretionary income. If lower employment rates eventuated then they are likely to result in a number of **impacts** on Council services. There may be rates affordability issues, which may impact on levels of service if NPDC determines to lower its rates requirement as a result. There may also be increased use in some Council services, such as libraries and community facilities, and other services may have decreased use (or, at least, not forecast increases in use), such as in the commercial use of services.

Unemployment

3.4% *in 2022*

Estimated to increase to

5.5% *by 2034*

Our place

Tourism

NPDC assumes that tourism spend in New Plymouth will recover to pre Covid-19 forecast levels by 2024/25 similar to that of 2019/20 total tourism spend. NPDC has used historical growth tourism spend from between 2009-2019 (excluding border closures years due to covid) at a rate of around 3.7 per cent per annum. This is lower than previous forecasts estimating slower growth coming out of the pandemic. The following table provides the forecast tourism spend in New Plymouth across the LTP (rounded to the nearest million).

	2024/25 ($m)	2025/26 ($m)	2026/27 ($m)	2027/28 ($m)	2028/29 ($m)	2029/30 ($m)	2030/31 ($m)	2031/32 ($m)	2032/33 ($m)	2033/34 ($m)
New Plymouth	340	352	365	379	393	407	422	438	454	471

There is a medium level of uncertainty. Uncertainty arises from national and global economies and approaches to border controls following the Covid-19 pandemic. The tourism pattern seems to be encouraging going into the LTP with increasing international tourism numbers arriving into New Zealand estimated to be around 75 per cent of pre-pandemic in early 2023.

Tourism spend is in current prices and provides an idea of the total dollar amount of spending by domestic and international visitors to New Plymouth District, relative to the rest of the country. Data is sourced from the Ministry of Business, Innovation and Employment's regional tourism estimates.

Impact. Any changes to tourism within the district is likely to have some impact on NPDC and the community. Changes in tourism patterns will lead to changes in the use of some Council facilities such as Puke Ariki, Govett-Brewster Art Gallery/Len Lye Centre, Aquatic Centre, the Coastal Walkway, parks, public toilets and certain roads (particularly coastal roads and around Taranaki Maunga). This could mean some investment is underutilised (such as in public toilets), although the impact is likely to be less than at a rate exceeding the assumption. The effect of this uncertainty is not considered to be substantial across NPDC and depends on the nature of the divergence.

Tourism spending

$340m *in 2024/25*

Total spending in tourism in New Plymouth will grow closer to

$471m *in 2033/34*

Climate change

Climate change is widely recognised as one of the most significant and complex global issues we face. In coming years, the effects of a changing climate will continue to impact our environment. The LTP (and particularly the Infrastructure Strategy) and the Proposed District Plan lay the foundations to prepare for potential increased climate change impacts in the future.

The climate of Taranaki is changing, and these changes will continue for the foreseeable future. The rate of future climate change depends on how fast atmospheric greenhouse gas concentrations continue to increase. Taranaki Regional Council commissioned NIWA to undertake a review of climate change projections and impacts for the Taranaki region. The following bullet points outline some key findings of this report with all increases relative to a 1986-2005 baseline:

- The global climate system is warming and many of the recently observed climate changes are unprecedented. Climate change is already affecting New Zealand and the Taranaki region. In coming decades, climate change is highly likely to pose challenges to our way of life.
- In Taranaki, we can expect to see an increase in hot days and decrease in frost days, with annual average temperatures expected to increase by 0.5-1.5°C by 2040 and 1.0-3.5°C by 2090. (Medium greenhouse gas concentration path RCP4.5)
- Rainfall is projected to increase for most of the region, with increasing seasonal variation. Extreme rainfall events are projected to become more severe, while drought potential is expected to increase across Taranaki. For some parts, winter increases of 8-22% and spring decreases of up to 6% are projected. (High greenhouse gas concentration pathway RCP8.5)
- Annual average discharge from the region's rivers is projected to remain stable or slightly increase, while mean annual low flow (MALF) magnitudes are expected to decrease, with a potential 50 per cent reduction in MALF by the end of this century.
- Global mean sea level has risen over the past century at a rate of about 1.7mm/year and has very likely accelerated to 3.2 mm/year since 1993. Rising sea level is already observed in Taranaki, with an average increase of 4.0mm/year, just slightly below the national average of 4.4mm/year. By 2090, sea level rise of 0.5m (RCP4.5) or 0.7m (RCP8.5) is projected.

There is a medium level of uncertainty. Uncertainty increases over time and arises as overall climate change does not directly correlate to year-to-year climate conditions or particular weather events. If these factors change from the projection then the assumption will not be borne out.

While there is uncertainty in the short-term implications, there is significant uncertainty in the long-term implications of climate change. Investment within the LTP needs to carefully consider the life of the proposed asset or investment in relation to the current risk of the natural hazard(s) and the exacerbation(s) predicted within the climate change scenarios to weigh up and balance the risk and cost of early failure with the potential for over investment.

NIWA reports a range of ongoing and potential future impacts of a changing climate on different sectors and environments in Taranaki including:

- A warmer atmosphere in the future is expected to result in increases to rainfall intensity. Increased rainfall intensity can cause soil saturation issues for the agricultural sector. It also increases the risk of flooding events which have associated adverse impacts such as damage to infrastructure.

Average temperature
is forecast to be
0.5°C to 1.5°C
by 2040
warmer than in average

Rainfall
Winter increases of
8.22% ↑
and spring decreases of
6% ↓
are projected
by 2040

- Increased risk of land degradation resulting from landslides and soil erosion.
- Warmer winter and spring periods will allow increased seasonal pasture growth rates.
- Increased concentrations of atmospheric carbon dioxide should increase forest, pasture, crop, and horticulture productivity, if not limited by water availability.
- Climate change-induced hazards are likely to expose the people of Taranaki to a range of direct and indirect health impacts. Examples include an increasing prevalence of hot conditions and heatwaves, and through the impacts of flooding, fires and infrastructure damage. Direct impacts could include injury, impacts on mental health and wellbeing, disruption to healthcare and critical services, and damage to people's homes. Indirect impacts could include secondary health issues, microbial contamination of drinking water supply, food security, air quality and the introduction of new diseases.
- Ongoing sea-level rise is likely to increase exposure of infrastructure to extreme coastal flooding, as well as cause habitat loss at the coastal margins where ecosystems are not able to move further inland (coastal squeeze). Exposure is likely to increase over time in response to higher sea levels.

Implications for the community and NPDC

Climate change could impact on the social, economic, environmental and cultural well-being of the community.

- **Coastal hazards.** Most of the New Plymouth District has an erosion formed coastline. There is a mix of both Council (public) and private coastal erosion protection in the form of boulder rip rap seawalls. Recently the Onaero and Rohutu Block (Waitara East Beach) communities have been involved in discussions with Council regarding their vulnerability to coastal erosion. In 2023 Council completed the transfer of a coastal permit for a seawall adjacent to Motukari Place to the Onaero Foreshore Protection Society Incorporated allowing residents the ability to complete a private seawall. The LTP includes funding for adaptation planning and specifically an adaptive management plan for Urenui and Onaero to determine the best future approach to dealing with both the existing coastal hazard risk and the forecasts of climate change. NPDC will continue discussions with the Rohutu Block trustees regarding their vulnerability to coastal erosion. Most other urban communities with high erosion risk are already protected by seawalls. Adaptation planning may highlight other areas requiring specific planning.
- **Flooding**. The Proposed District Plan also outlines areas vulnerable to flooding taking into account forecasts of climate change. Flooding risk may increase from both upstream and local rainfall. Urban areas have a variety of flood control works and stormwater systems to manage these risks.
- **Drought**. If there are increasing droughts in the future then the farming community within the District may need to consider land use changes, and there could be issues with the viability of some farms. The Tapuae Roa Action Plan (part of our regional economic development strategy) outlines the need to consider new land uses to address climate change impacts for farms. The increased risk of droughts would also impact the Council's water supply service.

Rivers

50%

reduction in Mean Annual Low Flow by the end of this century

Sea level rising

0.5m to 0.7m

by 2090

compared to 1995

The impacts of climate change will impact on Council services to varying degrees.

- Coastal hazards. Coastal hazard risks impact on a number of Council services. NPDC has assets within potential coastal erosion and/or hazard areas, including coastal parks and open spaces (the Coastal Walkway, Todd Energy Aquatic Centre, New Plymouth Airport, stormwater pipes and outfalls, wastewater pipes and pump stations, and roads). The Council policy is to only consider coastal protection mechanisms for significant public assets. Some of these services and infrastructure may need to relocate in the future taking into account the forecasts of climate change.
- Flooding. A series of stormwater catchment management plans are being developed to analyse the district's stormwater catchments, taking into consideration the most up to date climate change data. NPDC's stormwater system and flood protection schemes would require upgrades in order to maintain effective service levels (as measured against AEP calculations) under the predictions of climate change. NPDC has infrastructure that may be impacted by increased flooding, including parks, wastewater pipes and pump stations, roads (including bridges over rivers and streams) and stormwater outfalls.
- Drought. With increasing water demand and the potential increasing likelihood of extended dry periods during summer months, the district is at risk of not meeting water supply levels of service at certain times of year. The planning of the Council's water supply services take into account the predicted implications of climate change. The Council is taking proactive steps to reduce the district's water use with a conservation strategy, education and water metering. Droughts also have impacts on the Council's parks and reserves, and could potentially require changed approaches to managing these during summer months.

NPDC adopted a Climate Action Framework in December 2019 to guide NPDC's climate change work programme. NPDC adopted a District-wide draft Emissions Reduction Plan in September 2023. Actions and projects from that Plan have been considered and prioritised within this LTP. This LTP includes operating expenditure to develop a Climate Adaptation Plan. The Climate Adaptation Plan may need to consider new legal obligations and considerations depending on whether the Government progresses with planned legislation around climate adaptation and managed retreat. NPDC has also committed to investigating a governance framework for assessing and reporting on climate risks and opportunities, such as Task Force on Climate-Related Financial Disclosures reporting (through the Aotearoa New Zealand Climate Standards).

Natural disasters

NPDC acknowledges that natural disasters do occur and that New Plymouth District is vulnerable to various types of natural disasters. Taranaki is susceptible to volcanic eruptions, earthquakes, tsunamis, floods, storms, tornadoes, drought, pandemics and other disasters. The LTP does not include any forecasting of a natural disaster occurring during the life of the LTP in its financial information and plans. However, NPDC acknowledges that there is a small likelihood of a substantial natural disaster occurring during the LTP. NPDC has civil defence responsibilities, including being a member of the Taranaki Emergency Management Group, to respond to any natural disaster. The Council has insurance arrangements for its assets and also has a Natural Disaster Recovery Fund to assist with both response and recovery and the LTP includes additional annual funding to increase that fund over time.

There is a medium level of uncertainty. Uncertainty arises through the natural events and disasters. If these factors change from the projection then the assumption will not be borne out.

Natural disasters

No natural disasters are forecast to occur over the life of this plan

Existing and future resource consents

NPDC is legislatively required to obtain resource consents for various activities that it undertakes in the district.

The following major consents require renewal that may impact on the LTP:

- Colson Road Landfill – discharges to land and air consents expire 2025/2026.
- Crematorium – discharge to air consent expires 2032, discharge to land consent expires 2046.
- Boat ramps (Tongaporutu River estuary, Urenui River estuary, Waitara River) – consents expiring 2027.
- Waitara River left bank wharf – Usage consent expires 2033.

NPDC holds a large number of smaller resource consents across the district relating to its infrastructure. Some new projects will also require resource consents. These are assessed as part of the planning and delivery of each project.

There is a low level of uncertainty. Uncertainty arises from the potential for changes to NPDC's District Plan, changes to Taranaki Regional Council's regional plans, changes to national policy directions issued under the Resource Management Act 1991 and changes to the Resource Management Act 1991. If these factors change from the projection then the assumption will not be borne out. NPDC's services, including current and future developments, would be affected by not obtaining any relevant resource consents. This could ultimately lead to discontinuance in service delivery until consent is obtained. NPDC will continue to work closely with the Taranaki Regional Council to ensure all existing and future resource consents are renewed or obtained without any effect on the delivery of NPDC's services. NPDC proactively assesses the requirements for a resource consent in determining projects for the LTP, including the likelihood of obtaining resource consents.

Resource consents

All resource consents required for the operations of Council services will be obtained or renewed when required

Legislation and Government Reforms

NPDC is subject to Government regulation and legislation. Parliament and the Government can change these laws throughout the life of the LTP.

- **Water Services Acts Repeal Act.** The Water Services Acts Repeal Act was passed under urgency on 13 February 2024 returning the three water services (Stormwater, Wastewater and Water Supply activities) back to NPDC with transitional provisions provided in relation to the LTP. The LTP therefore contains the three water services for all 10 years. However it was also indicated that future legislation will provide for the establishment of a new class of local government owned but financially separate Council Controlled Organisations as an option that councils may choose to pursue. The Local Government (Water Services Preliminary Arrangements) Bill, which will give effect to the new "Local Water Done Well" programme, and was introduced into the House on May 31 2024.
- **Resource Management Act Reform.** The Natural and Built Environment Act and the Spatial Planning Act that were to replace the Resource Management Act 1991 (along with a proposed Climate Adaptation Act), were repealed on 23 December 2023. The Government signalled that they would pursue a different form of replacement of the Resource Management Act with a greater focus on private property rights.
- **Future For Local Government Review.** This review has recommended a significant reform of the local government sector. There has been no Government response yet or legislation introduced to Parliament to implement these recommendations. The LTP assumes that the status quo arrangements continue in place. Any reform in response to the review is likely to be considered in a future LTP process.
- **Climate Change Reform.** Government's Emissions Reduction Plan and National Adaptation Plan identify a range of actions for local government to implement to varying degrees. Parliament's Environment Committee is inquiring into potential climate adaptation legislation to provide powers for relocating communities faced with significant climate change risks. This LTP includes resourcing towards developing a Climate Change Adaptation Plan that will need to factor in any legislation progressed.

NPDC has also assessed other recent legislation changes and proposed changes that impact on parts of Council. This includes the Emergency Management Bill, Local Government Electoral Legislation Bill, Land Transport Management (Regulation of Public Transport) Amendment Bill, Sale and Supply of Alcohol (Community Participation) Amendment Bill and the Local Government Official Information and Meetings Amendment Bill. These have been factored into the relevant budgets as necessary and relevant.

The LTP does not assume any further legislative changes.

There is a medium level of uncertainty for the Resource Management Act Reform. While a scoping study aimed at gauging Taranaki's ability to implement the now repealed RMA reform legislative requirements (including a Regional Spatial Plan) had been commissioned by the Ministry for the Environment and was due for completion April 2024, given the uncertainty of these reforms no additional budget has been proposed within the LTP.

There is a medium level of uncertainty related to the Water Services Acts Repeal Act.

The LTP assumes that NPDC will continue to own and directly operate the three waters networks (Stormwater, Wastewater Treatment and Water Supply).

Legislation

NPDC has factored in new and proposed legislation that will change our services and budgets

There is a medium level of uncertainty. Uncertainty arises from Water Services Acts Repeal Act was passed under urgency on 13 February 2024 along with a signal that legislation will provide for the establishment of a new class of local government owned but financially separate Council Controlled Organisations (CCO) as an option that councils may choose to pursue. Some councils may be required to establish a CCO if they cannot demonstrate a financially viable approach to managing these services whilst meeting new regulatory requirements. Further, NPDC has signalled that it will look at investigating a three waters CCO. The Local Government (Water Services Preliminary Arrangements) Bill, which will give effect to the new "Local Water Done Well" programme, and was introduced into the House on May 31 2024.

Should NPDC determine to create a three waters CCO (subject to legislative requirements) then the financial management of the water services including capital expenditure, operating expenditure, revenue (including rates), debt and reserves relating to the three waters (as contained in the water, wastewater, stormwater management activities) would be undertaken by the new CCO. This could mean the entire activity no longer exists within NPDC's activities. This will have a corresponding impact on the overall position of NPDC as a whole. However, this may depend on the exact nature of the changes proposed by the Government and are uncertain at this time.

The table below outlines the total 10-year budget for each activity.

Activity	Overheads ($m)	10 year operating budget ($m)	10 year capital budget ($m)
Water Supply	55.69	229.5	180.43
Wastewater Treatment	67.28	307.1	294.50
Stormwater	16.23	131.85	182.76

From a community perspective, water services will continue to be provided. There may be a change in how the services are charged, i.e. instead of paying for the service by rates, customers may be charged by a utility bill method.

Any change may have widespread implications across the rest of NPDC's operations. For instance, overhead allocations from these services fund parts of back office services, but there may only be a small reduction in these services if these services are no longer part of NPDC. This would increase the overhead allocation for other parts of NPDC, and therefore increase the remaining Council activities service delivery costs. NPDC allocates overheads using a number of different methods, including internal service agreements, timesheeting, internal charging and proportional to operating costs. Any change may also require NPDC to alter its approach to rating to ensure it continues to comply with the Local Government (Rating) Act 2002, particularly the requirement in section 21 for uniform rates not to exceed 30 per cent of overall rates

There is a medium level of uncertainty for the remaining matters. Uncertainty arises from the potential for Government's to introduce legislation. New requirements from legislation may require additional funding for either operating or capital expenditure. Legislation can also alter Council's functions, including removing or transferring functions, which will require changed funding requirements as well.

The Future for Local Government Review includes significant reform of the local government sector, including proposing new models for how local authorities are distributed across New Zealand, and could result in fundamental change for local governance of the New Plymouth District. The Review also recommends new funding sources become available for local authorities, including new funding tools as well as Government contributing $1b per annum to local authorities. If additional funding tools or Government transfers become available then NPDC would need to consider how to use those at that time.

Our finances

The effect of inflation on NPDC's services

The Local Government Cost Index (LGCI) measures cost drivers specific to local government (e.g. concrete, reinforcing steel, bitumen, roading chip, building materials, energy and wages etc.) which differs significantly from the inflation pressures affecting households as measured by the CPI. BERL provide local authorities with their view of forecast inflation on key cost drivers. Their measure of inflation is forecast for 2025 at 2.9 per cent and from 2026 onwards at 2.2 per cent to 1.9 per cent. NPDC will need to ensure that the community is well informed about the cost drivers affecting service delivery.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
LGCI for operating expenditure	2.9	2.2	2.3	2.3	2.2	2.1	2.0	2.0	1.9	1.9
LGCI for capital expenditure	3.0	2.2	2.4	2.3	2.2	2.1	2.1	2.0	2.0	1.9
LGCI - overall	2.9	2.2	2.3	2.3	2.2	2.1	2.0	2.0	1.9	1.9

NPDC has modified the BERL LGCI forecast for 2024/25. This is to recognise that management are undertaking an efficiency review (zero per cent in year one). NPDC has also made specific assumptions about inflation for total staff costs, gas and electricity increases (three per cent per year), the rates payable on NPDC property (between seven per cent and nine per cent per annum) and insurance (20 per cent per annum for the first three years and five per cent per annum for Years 4 to 10).

There is a medium level of uncertainty. Uncertainty arises from external price inflation. If these factors change from the projection then the assumption will not be borne out.

Forecast inflation will impact on the ability of NPDC to deliver on its service levels and impacts future budgets. NPDC will need to ensure that the community is well informed about the cost drivers affecting service delivery. A higher or lower LGCI than forecast is likely to have impacts on NPDC budgets. A higher rate of inflation will require either increased budgets (and therefore rates increases) or adjustments to levels of service. A lower rate of inflation will either reduce budgets (and therefore rates increases) or enable increased levels of service within existing budgets.

Inflation

The annual cost of Council services will continue to increase at an average of

2%

Revaluation of assets

The revaluation of assets will result in book values that rise in line with inflation. NPDC last revalued its land, building and infrastructure assets in 2022, revaluations are expected in 2025, 2028, 2031 and 2034 (every three years). Forestry assets are revalued annually.

NPDC's assets deliver services to the community and hold a 'value in use'. The Council's significant assets are long life assets. Any reassessment of current replacement costs are used to determine the cost of the asset renewal programme as outlined in the respective asset management plans. This in turn means NPDC will need to make an increased budgetary provision through general rates for renewal funding

There is a low level of uncertainty. Uncertainty arises from replacement costs. If these factors change from the projection then the assumption will not be borne out.

There is a risk that assets are revalued at a lower or higher amount than inflation. Any substantive change in asset revaluation may result in an increase or decrease in the cost of the asset renewal programme.

Revaluation of assets

The fair value of assets that are revalued will increase in line with inflation

Useful lives of significant assets

Assets are expected to have a lifespan as set in the depreciation policy in the Statement of Accounting Policies.

Asset class	Roading	Laboratory	Waste Management and Minimisation	Stormwater	Flood Protection	Water	Wastewater
Years	7 to 150	5 to 50	5 to 60	3 to 160	25 to 200	3 to 170	3 to 120

There is a low level of uncertainty. Uncertainty arises from asset condition and whether assets receive more or less use than anticipated. If these factors change from the projection then the assumption will not be borne out.

Where actual asset lives differ (favourably or unfavourably) from the expected live of the asset, there is a corresponding impact on the asset renewals and maintenance programme. Assets that have longer lives than assumed will either result in savings through later replacement or may still be replaced at the time set out (e.g. if it is difficult to determine the state of the asset until replacement, such as for underground assets). Assets that have shorter lives than assumed may either result in reduced levels of service or require replacement earlier than expected, potentially before the asset is fully depreciated. NPDC has, and continues to develop, appropriate asset management plans together with regular inspection, maintenance and management practices to manage these risks.

Significant assets

The actual lives of significant assets are in line with expected useful lives

Vesting of new assets in NPDC

NPDC receives vesting of assets as a result of subdivision activity. NPDC anticipates receiving approximately $5m of vested assets each year (this figure is for year one) and the Council assumes that this value will increase in line with inflation each year. This assumption is based a conservative long run average.

There is a low level of uncertainty. Uncertainty arises from variability in subdivision activity that results in asset vesting. If these factors change from the projection then the assumption will not be borne out.

Assets vested with NPDC increases the need for infrastructure renewal funding and also has additional funding implications for operating costs.

NPDC is aware of likely future levels of vested assets through the resource consent process. The standard of assets proposed to be vested must meet NPDC's requirements for materials, construction techniques and quality. Any assets vested as the result of development have a minimal impact on NPDC's overall asset base per capita as the district's rate base increases with population growth.

Any significant increase in vested assets will increase NPDC's asset base. However, it is unlikely to have any significant impact on NPDC's financial position or levels of service. This is because an increase in vested assets would likely reflect additional development and therefore an increased rate base.

A decrease in vested assets will mean NPDC's asset base will not grow as quickly. This will not be significant in terms of impacting on NPDC's debt to asset ratio so should not impact on the ability to borrow. It is, however, likely to reflect a downturn in development.

Vesting of new assets

Approximately

$5m

of assets will be vested in NPDC per annum

Source of funds for future replacement of significant assets

The Revenue and Financing Policy sets out how assets will be funded for different activities.

Funding for the renewal of short life infrastructural assets is calculated on a Long Range Average Renewals Approach. This is an approach whereby NPDC uses rates to maintain a reserve. The reserve is then used to fund the renewal of assets. The amount of rates added to the reserve each year is based on the 10 year forward horizon for renewal requirements.
Funding for the renewal of long life infrastructural assets is through renewal reserves but can also be met through borrowing, in accordance with the Revenue and Financing Policy.

There is a low level of uncertainty. Uncertainty arises from sources of funding not being available at the time of an assets replacement. If these factors change from the projection then the assumption will not be borne out.

There is a risk that a funding source is not available to fund the replacement of any given asset at the time of its replacement. Section 80 of the Local Government Act 2002 sets out the process for NPDC to make a decision that is significantly inconsistent with a policy. This process could be used at that time.

Replacement of significant assets

NPDC will fund the replacement of significant assets in line with the Revenue and Financing Policy and Financial Strategy

External funding support

External funders provide operational and capital funding support to enable NPDC to maintain and/or enhance the level of service delivery. NZ Transport Agency Waka Kotahi provides a significant level of subsidy for roading operations and maintenance as well as capital renewals and augmentation (51 per cent to 100 per cent of eligible works). The NZ Transport Agency Waka Kotahi Financial Assistance Rate is currently set at 51 per cent. ***2024-27 National Land Transport Programme's*** indicative allocations for continuous programmes confirms this funding assumption for the first three years of this LTP. In addition, other government funding agencies provide funding support to enable NPDC to deliver on its service levels. These include funding sources such as the Department of Internal Affairs (soldiers' grave sites) and the Ministry for Culture and Heritage (arts grants). Details of this funding is set out in the relevant activity management plans. Further funding is provided by external parties for events, exhibitions and capital projects.

There is a medium level of uncertainty. Uncertainty arises from changes to government and other external funders priorities changing. If these factors change from the projection then the assumption will not be borne out.

Any reduction in funding support will impact on service levels and the long-term custodianship of our roading assets in particular. Less funding from NZ Transport Agency Waka Kotahi will have an impact on the district's roading work programme. Projects will either have to be deferred or NPDC will need to provide extra funding to counter reduced support from NZ Transport Agency Waki Kotahi. An increase in the range and type of subsidies and funding support may require increased funding input from NPDC.

External funding support

NZ Transport Agency Waka Kotahi funding to maintain and renew roads and associated assets will remain at current levels

Government funding in other areas and other external funding will remain at current levels

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Rates remissions

Rates remissions will continue to apply at the current level with an increase of seven per cent per annum and from year two onwards further Significant Natural Area remission.

There is a medium level of uncertainty. Uncertainty arises from potential changes to the remission policies and changes to who qualifies as a result of other changes. If these factors change from the projection then the assumption will not be borne out.

The Proposed District Plan includes further properties to provide regulatory controls for which NPDC currently provides a remission. The outcome of the Proposed District Plan is unknown as there are statutory processes (including public submissions and appeal processes). The remission estimate is based on the Proposed District Plan, and a review of the remission policy may be required when the Proposed District Plan becomes operative.

The Local Government (Rating of Whenua Māori) Amendment Act 2021 provided a significant change to the rating of Māori land, including increasing the non rateability of Māori land and a statutory rates remission scheme. The Council reviewed its policy on the remission and postponement of rates on Māori freehold land in 2022.

Any change in legislation or NPDC's remissions policy will have an impact on the level of rating remissions. A higher level of remission will be met through other ratepayers paying higher rates, or may cause a review of the remission policies. A lower remission level will provide a savings and reduce the rates required.

Rates remissions

are estimated at

$1.1m *in Year One*

and increase at

7% *per annum*

Forecast returns on investments

NPDC has significant external investments in NPDC's Perpetual Investment Fund (PIF). The PIF is managed by a Full Outsourced Agent (FOA), Mercer New Zealand Limited. The FOA is reviewed and monitored by the New Plymouth PIF Guardians Limited (NPG). Annual releases from the PIF contribute significantly to reducing the annual rates requirement.

The PIF release is required to fund management fees and costs, with an amount to offset rates based on 3.3 per cent of the value of the fund after inflation and including fees and costs (with a smoothing rule applied). The PIF will release 3.4 to 3.6 per cent per annum gross of management fees and costs. The PIF's rate of return is expected to be 5.7 per cent per annum. This assumption is based on advice from the NPG. It is based on a long-term view of returns so the 10 year return may differ from the average.

There is a medium level of uncertainty. Uncertainty arises from the rate of return in market investments. If these factors change from the projection then the assumption will not be borne out.

If the average annual earnings rate of the PIF is less than forecasted and the value of the PIF decreases, this will reduce the release and may impact on NPDC's current Financial Strategy. This could have an impact on the rates requirement or adjustments to the levels of service provided to the community..

Forecast returns on investments

The PIF will release

3.3%

of its value per annum (after inflation and management fees and costs) with a rate of return of

5.7% *per annum*

Development contributions

Residential development growth is forecast at a 10 year average of 329 new dwellings each year. Non residential growth is forecast to grow at an average rate of 168 household unit equivalent (HUE) per annum. The LTP forecasts the following forecast development contribution revenue.

	2024/25 ($m)	2025/26 ($m)	2026/27 ($m)	2027/28 ($m)	2028/29 ($m)	2029/30 ($m)	2030/31 ($m)	2031/32 ($m)	2032/33 ($m)	2033/34 ($m)
Development contributions revenue	6.63	10.33	13.31	13.23	13.10	13.53	14.13	14.51	14.04	14.99

This is at the rate that development contributions are expected to be collected at. However, the timing of development contribution receipts is outside NPDC's control. Development contribution requirements are assessed according to the number of dwellings and HUE that the relevant capital project(s) cater for, and then applied to each dwelling and HUE as they are developed. NPDC records growth related capital expenditure as being fully funded by borrowings and applies development contributions when received.

There is a medium level of uncertainty. Uncertainty arises from the rate of residential and non residential development. If these factors change from the projection then the assumption will not be borne out.

As development contributions are received they are held in reserves and used to repay growth debt. A slower rate of development will result in a lower level of development contributions being received. This will result in less cash received reducing the transfer to reserves and growth debt taking longer to repay. A faster rate of development will result in a higher level of development contributions being received. This will reduce growth borrowings, which in turn will reduce costs of borrowing and provide greater capacity to borrow in the future.

Development contributions

NPDC will receive development contributions revenue in line with the Development and Environmental Contributions Policy and forecast development rates

Borrowing and interest rates

Interest rates are assumed at the following levels.

Item	Cash investment	Term deposit investment	Airport working capital loan	General borrowing	Voluntary targeted rate scheme
Interest rate	1% to 4%	2% to 5%	4.2% to 6.2%	4% to 6%	0%

Borrowings are repaid over a 20 to 30 year timeframe.

Overall interest rate and funding strategies are managed within the parameters of the Treasury Management Policy. Interest rate swaps are also used as per the policy. The Treasury Management Policy is reviewed as part of the LTP process every three years.

There is a low level of uncertainty. Uncertainty arises from obtaining lending from the market. If these factors change from the projection then the assumption will not be borne out.

NPDC actively seeks to receive more favourable interest rates, which then enables NPDC to lower its borrowing costs, and either pay off debt faster or to reduce debt repayment costs. There is unlikely to be any adverse implications in the plan resulting from funding or interest rate risk. However, if economic conditions result in increases in interest rates that are unable to be hedged, such cost increases may impact on NPDC's overall budget position and ability to maintain service levels without an increase in rates income. NPDC's shareholder and guarantor status for the Local Government Funding Authority minimises the risk of the Council not being able to borrow the funds it requires.

Borrowing and interest rates

Interest rates for cash investments will be around **4%** and borrowing interest rates will be around **5%**

Lenders will continue to meet NPDC''s requirements for loan funding (redemption and new)

New Plymouth District Council (Waitara Lands) Act 2018

The New Plymouth District Council (Waitara Lands) Act 2018 provides the leaseholders of the remaining approximately 300 leasehold properties in Waitara with a right to freehold. These funds are then distributed into three different funding pools – the Hapū Land Fund (held by NPDC for Te Kōwhatu Tū Moana), the Waitara Perpetual Community Fund (held by NPDC for Te Tai Pari Trust), and the Waitara River funds (held by Taranaki Regional Council).

The LTP assumes that Waitara leaseholders will continue to freehold approximately one property per quarter, with around 300 leaseholders remaining by 30 June 2034. The LTP also assumes that the average unimproved land value will be $210,000 in year one and increasing by five per cent per annum. The rents and sales proceeds become the following annual allocations into the three funding pools.

	2024/25 ($m)	2025/26 ($m)	2026/27 ($m)	2027/28 ($m)	2028/29 ($m)	2029/30 ($m)	2030/31 ($m)	2031/32 ($m)	2032/33 ($m)	2033/34 ($m)
Waitara Perpetual Community Fund	0.70	0.73	0.76	0.74	0.75	0.77	0.65	0.66	0.67	0.69
Hapū Land Fund	0.70	0.73	0.76	0.74	0.75	0.77	0.65	0.66	0.67	0.69
Taranaki Regional Council	0.33	0.35	0.38	0.32	0.33	0.33	0.34	0.34	0.35	0.35

Waitara Perpetual Community Fund

The release rule aims towards a long-term release of three per cent of the Waitara Perpetual Community Fund's balance, however the release rule sets an 80 per cent weighting on the previous year's release to provide a smooth mechanism to ensure the release payment is relatively stable.

On that basis, the LTP assumes the following annual release from the Waitara Perpetual Community Fund.

	2024/25 ($'000)	2025/26 ($'000)	2026/27 ($'000)	2027/28 ($'000)	2028/29 ($'000)	2029/30 ($'000)	2030/31 ($'000)	2031/32 ($'000)	2032/33 ($'000)	2033/34 ($'000)
Annual release	374	491	616	744	872	999	1,124	1,124	1,124	1,124

NPDC has no role in managing the Taranaki Regional Council's Waitara River funds, and the Hapū Land Fund balance is subject to the decisions of Te Kōwhatu Tū Moana.

There is a medium level of uncertainty. Uncertainty arises from leaseholders' individual decisions as to whether they will freehold, which in turn is influenced by personal income, land value, lease rental and other factors. Uncertainty also arises in the returns due to house price inflation that may impact on the unimproved land value as assessed in Waitara.

For the purposes of this LTP, NPDC assumes that 50 per cent of the Hapū Land Fund's income is distributed over the life of the LTP. However, NPDC has no direct control of the Hapū Land Fund as Te Kōwhatu Tū Moana makes decisions on the expenditure of the Fund.

The net impact of this uncertainty on NPDC is minimal on the Council and services provided. However, it is acknowledged that there may be a more significant impact on Te Kōwhatu Tū Moana, Te Tai Pari Trust and the Taranaki Regional Council.

NPDC (Waitara Lands) Act 2018

Waitara leaseholders will continue to freehold over the life of the LTP and the Waitara Perpetual Community Fund's annual release will grow to over

$1m *per annum*

by the end of the LTP

Achievement of capital works

The LTP includes $1.5 billion of capital expenditure over the 10 years. Projects are planned for particular years. The LTP budgets are forecast on the basis that projects and works are undertaken in the years specified, and that there are no variations to the capital works programme.

There is a medium level of uncertainty overall for this assumption, however there is a high level of uncertainty for the delivery of capital expenditure to meet additional demand (growth related infrastructure, with $206m in capital expenditure). Uncertainty arises from NPDC's planning processes, project management processes, the construction market, alignment with urban growth and development, and other factors. Capital work programmes may also be varied by annual plans and future LTPs. If these factors change from the projection then the assumption will not be borne out.

NPDC has historically been able to undertake a similar amount of capital works compared to that set in the relevant LTP and/or annual plan. However, there has been a 'bow wave' effect of carry forwards, whereby projects carried forward from one year to the next cause a displacement of planned projects in the next year. This means that, while the quantum of works undertaken has been similar to the relevant plan, the projects undertaken in any year have differed. In order to address this NPDC is implementing a stricter programme to prevent carry forwards from 2023/24 into year one of the LTP, including early reprioritisation of some projects that will not be achieved (in part or in full) in 2023/24 into the LTP capital projects (rather than addressing them as a carry forward later on). This enables better planning of the actual quantum of capital works to be undertaken in 2024/25.

NPDC has an increased capital works programme outlined in the LTP compared to previous plans. Organisational restructure is aimed at a number of other improvements, such as panel contracts to improve procurement efficiency, to further improve capex delivery. The stepping in of the programme over the first five years enables the Council to grow its capacity to undertake this work. Phasing of significant projects in the LTP budgets across multiple years provides time for planning, land acquisition and resource consents before the intended construction timing. NPDC also introduced a new Portfolio, Programme and Projects (P3M) Framework. This is now embedded with software and resource to support delivery of the works programme.

This new management system along with new procurement processes (use of panel contracts), and increased planning and project management resources has been introduced in order to undertake this works programme. Much of this increase is in the works programme for the renewal of existing assets, and therefore less subject to planning, resource consent, land acquisition or other delays.

Any delay in achieving the stated capital works programme may result in a carry forward, whereby some or all projects are delivered the following year. This can result in other projects being delayed as a result. Delays in service level projects may also result in reduced borrowing requirements that, in turn, reduce rates required to repay that borrowing. Delays in renewal projects may reduce the funding taken from the renewal reserve that, in turn, reduces rates required to top up that reserve. There may also be additional costs in deferred projects as result of delays. These additional costs include cost escalation from additional inflation and, for renewals, the existing asset may require additional maintenance before replacement. From a resident viewpoint, it may mean that the Council does not improve service level in the timeframe expected, or increases the risk of asset failure through delayed renewal.

Capital works

NPDC will achieve its stated capital works programme

Growth capital expenditure

Historically projects related to urban growth are subject to the highest degree of delay or underspend when compared to planned expenditure out of the three categories of capital expenditure. This is because some growth-related infrastructure is contingent on developers or other agencies undertaking works, or can be delayed due to shifts in market demands. There has been an underspend in land purchases for new reserves, public access and other NPDC infrastructure mainly due to the complexities in working with multiple landowners/parties over several years and land value and associated timing of development and opportunities for acquisition arising. These timing delays do not result in failure to meet a level of service as outlined in the LTP, and do not increase risk of existing assets failing. The delays of these projects are prudent in light of the situation when compared to undertaking works or land purchases not required at that time.

The Future Development Strategy and Proposed District Plan provide a strategic approach on how the district will develop in a cohesive, compact and structured way to achieve a well-functioning urban environment. These documents ensure that there is integration with LTP decisions relating to funding and infrastructure. . However, areas identified for growth purposes in Future Development Strategy and Proposed District Plan are still subject to change (draft Future Development Strategy and Proposed District Plan appeal processes), which may in turn result in changes to timing from that contained in this LTP.

Council has identified key growth areas that will rely on a fully council-led approach as opposed to developer-led in relation to infrastructure delivery (transport and three waters in particular) in order to facilitate development. Areas such as Puketapu and Patterson Road are current examples. The budgets contained within this LTP are based on these council-led approaches where appropriate depending on whether quality and cohesive development is able to realistically be achieved through a developer-led approach.

The financial forecasts contained within this LTP are based on the Council achieving the stated capital works programme for growth related infrastructure. NPDC is confident that the programme put in place will better enable the Council to do that programme. However, there is a risk that the capital works programme for growth related infrastructure is not met.

The delay of growth-related infrastructure results in delayed borrowing. This will generally not result in a reduced rates requirement because growth related infrastructure is repaid through development contributions reserve rather than rates. However, some growth-related projects do have a component of funding for any renewal or service level impact, and so may have a small impact on rates required to repay that borrowing in the short-term. There may also be an impact on the level of service received by the community, or an increased risk of asset failure.

If the additional work to improve timing and delivery of growth-related infrastructure is partially successful, and NPDC achieves delivery of 75 per cent of the growth-related infrastructure over the life of the LTP, then across the 10 years there will be $48.2m reduction in debt and $15.9m reduction in interest and principal repayments.

However, if NPDC achieved only half of its growth-related infrastructure over the life of the LTP (slightly below the recent average achievement of growth-related infrastructure) then across the 10 years there will be $96.4m reduction in debt and $31.9m reduction in interest and principal repayments.

These calculations are based on projects total growth projects, so does not take into account renewal or service level element. The calculations also do not assume that delayed/underspent projects are undertaken at a later time within the 10 year period.

Section 210 of the Local Government Act 2002 provides that the Council must refund development contributions received for a specified reserve purpose if the money is not applied to that purpose within 10 years of receipt (or other period specified in the Development and Environmental Contributions Policy). Not achieving its growth-related capital works programme creates a potential for liability for NPDC. Development contributions collected for specified reserve purposes are a small proportion of development contributions levied. Specified reserve purposes constitute $84 of the overall charge (varies by area of development – see NPDC's Development and Environmental Contributions Policy for more information (figures are for year one) and inflation adjusted annually). These specified projects are less likely to be subject to considerable delay as they refer to the upgrade of an existing specified reserve rather than being for land purchase or development of future reserves that are not currently owned by NPDC. The maximum potential liability the Council faces to refund these development contributions is $40,000 per annum (year one figure, based on an estimated 474 HUEs, development contributions are inflation adjusted annually) and would start outside of the LTP's 10 year financial forecasting horizon.

Capital costs

Capital costs

The actual capital cost of a project is close to the forecast capital cost

The LTP includes a large number of capital projects with estimated costs. The financial information and statements are prepared on the basis of these estimated costs.

There is a medium level of uncertainty. Uncertainty arises from the scope of the business case, as well as the changing costs of materials and labour involved in undertaking capital projects. If these factors change from the projection then the assumption will not be borne out. One project, the Urenui and Onaero sewer system, is considered to have a high level of uncertainty as detailed below.

NPDC has developed a system to classify capital work budgets. Each class indicates a different stage of planning and estimating methodology. Therefore, each class has a different expected accuracy range. The table below summarises these classes and their accuracy.

Class	Estimating methodology	Expected accuracy range
5 Identify	Global rates	±100%
4 Assets	Global/unit rate	±50%
3 Select	Unit rate	±20%
2 Define	Unit rate/first principles	±15%
1 Execute	Unit rate/first principles	±5%

The intention of NPDC is to continually develop and refine the pipeline of capital projects so that cost estimates are continually refined in the lead up to the delivery of a project. Costs may increase or decrease during the development and refinement process as better information about the project is known.

NPDC introduced in September 2023 a cost estimating framework. The purpose of this is to provide a consistent approach within the organisation in producing cost estimates with the intention of more accurate estimates. The introduction of this framework is likely to late to make a significant impact on the LTP but will have a positive contribution to future LTP's.

The prioritisation process for the LTP has placed projects with higher accuracy of budgeting (i.e. Class 1-3) within the first three years of the plan. Projects with a less accurate budget (and higher range) have generally been placed into outer years. However, the prioritisation process is subject to other timing considerations as well.

Forestry harvest

NPDC manages forests across the district. Where NPDC is in joint venture with the land owner it is assumed NPDC will exit the joint venture. Where NPDC manages forestry on land it owns it is assumed NPDC will replant the forest within four years, i.e. before any Emissions Trading Scheme liability is triggered.

There is a medium level of uncertainty. Uncertainty arises from log prices affecting the timing of the harvest. If log prices are low it is likely the harvest will be delayed.

If the net proceeds from a forest harvest result in a surplus the funds are transferred to the Forestry Reserve to fund future forestry operations.

Forestry harvest

NPDC will harvest and replant with surplus funds added to reserves

Asset sales

NPDC has not proposed any significant asset sales during the LTP. (This assumption excludes the Waitara leasehold properties, which are included in the New Plymouth District Council (Waitara Lands) Act 2018 assumption).

During the LTP there may be some minor surplus assets that are sold.

There is a medium level of uncertainty. Uncertainty arises from political decision-making. If these factors change from the projection then the assumption will not be borne out.

If NPDC determines to sell a significant asset then the net proceeds will be used to either pay for a new capital project or to pay down debt. There may also be a reduction in associated operating expenditure with operating the sold asset.

Asset sales

NPDC will not undertake significant asset sales during the life of the LTP

Significant contingencies and commitments not budgeted for

While there are always unexpected events that may have an impact on NPDC's operations, NPDC mitigates these through its risk mitigation strategies including indepth insurance cover, established bank credit lines, and business continuity plans.

Commitments and contingencies that NPDC is aware of include the following.

Local Government Funding Agency (LGFA)

NPDC is a guarantor of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a local currency rating from Fitch Ratings and Standard and Poor's of AA+.

NPDC is one of 31 local authority shareholders and 52 local authority guarantors of the LGFA. NPDC has a commitment to fund uncalled shareholder capital in the event an imminent default is identified. Together with the other shareholders and guarantors, NPDC is a guarantor of all of LGFA's borrowings. This is based on NPDC's rates as a proportion of the total rates for all guaranteeing local authorities. At 30 June 2023, LGFA had borrowings totalling $16.3b.

Contingencies and commitments

There will not be unforeseen events or circumstances that could impact NPDC's finances and/or levels of service

Financial reporting standards require NPDC to recognise the guarantee liability at fair value. However, NPDC has been unable to determine a sufficiently reliable fair value for the guarantee and therefore has not recognised a liability. NPDC considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- NPDC is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Local Authority Protection Programme (LAPP)

NPDC is a member of LAPP, which is designed to assist local authorities to fund the rebuild of mainly underground infrastructure assets after a natural disaster. The fund was depleted by the Christchurch earthquakes and again by the Kaikōura earthquake. Membership has also reduced in recent years to the extent that NPDC is now the largest member by asset value under LAPP. Member contributions are expected to continue increasing due to the increasing value of assets covered and the cost of insurance and reinsurance generally. Under the Affordable Waters reform, responsibility for insuring Waters assets was to transfer to a Water Services Entity, and LAPP was to enter a wind-up process. The Water Services Acts Repeal Act was passed under urgency on 13 February 2024 returning the three water services (Stormwater, Wastewater and Water Supply activities) back to councils along with a signal that legislation will provide for the establishment of a new class of local government owned but financially separate Council Controlled Organisations (CCO) as an option that councils may choose to pursue. The Local Government (Water Services Preliminary Arrangements) Bill, which will give effect to the new "Local Water Done Well" programme, and was introduced into the House on May 31 2024.

RiskPool

The Council was a member of RiskPool until it ceased offering cover. RiskPool provided public liability and professional indemnity insurance for its members. The Trust Deed of RiskPool provides that, if there is a shortfall (when claims exceed member contributions and reinsurance recoveries) in any fund year, then the board may make a call on members for that fund year. The Council has been asked to fund its share of calls in the past as a result of deficits incurred due to the leaky building issue. A call for $100k was made by the board of Civic Liability during the year to 30 June 2019. Another call was made in November 2023 for $207k, with further call(s) to be made before RiskPool is wound up, beyond 1 July 2024.

Other

NPDC is not aware of any other additional contingencies or commitments not already covered by the prospective financial statements and/ or asset management plans.

There is a low level of uncertainty. Uncertainty arises from these being externally driven events. If these factors change from the projection then the assumption will not be borne out.

NPDC has planned appropriately for known potential commitments and has the necessary risk mitigation strategies in place to ensure any impact from unknown events can be managed without any undue impacts.

Statement of Council Controlled Organisations

He Tauākī o ngā Tōpūtanga mā te Kaunihera e Whakahaere

The Local Government Act 2002 requires the Council to include in the LTP information on Council Controlled Organisations, i.e. those organisations over which the Council has a 50 per cent or more shareholding or level of governance control. Information is based on the latest draft 2024/25 Statements of Intent.

This includes information on the:

- Council's policies and objectives that relate to ownership and control of the organisation.
- Nature and scope of the activities to be provided by the Council Controlled Organisations.
- Key performance targets and other measures by which performance may be judged.

The Council is a shareholder or has an ownership interest in the following Council Controlled Organisations:

- Forestry Joint Ventures.
- New Plymouth PIF Guardians Limited.
- Papa Rererangi i Puketapu Limited.
- Venture Taranaki Trust.

Forestry Joint Ventures

Nature and scope of activity

The Council has two joint venture forestry developments that have varying levels of Council ownership (55 to 57 per cent) and are therefore deemed to be Council Controlled Organisations. For convenience they are covered by one combined statement of intent. The woodlots will complement the harvest regime of the Council's own forestry investment activities.

Forest plantations have been established under the following agreements:

- McKay Family Joint Venture (56.5 per cent) – 83.5 hectares.
- Duthie Joint Venture (54.8 per cent) – 22.7 hectares.

Under the joint venture agreements a total of 106.2 hectares are managed. The landowners of each joint venture provide land and property related inputs. The Council provides management and tending programmes for the crop. Both parties share the returns from the forest harvest on an agreed ratio of respective inputs.

The Council's longer-term objective for these investments is to review its involvement after each joint venture is harvested.

Key annual objectives and performance indicators

1. Complete all programmes outlined in the Forest Management Plans and Agreements.
2. Report annually in compliance with agreements.

Significant policies and objectives on ownership and control

These joint ventures were originally set up to augment the harvest rotation for Council owned forestry. The Council will currently retain the joint ventures to harvest and then review its future position. There are no formal board structures.

New Plymouth PIF Guardians Limited

Nature and scope of activity

New Plymouth PIF Guardians Limited (NPG) is a 100 per cent Council owned company with an independent board of directors. NPG was formerly Taranaki Investment Management Limited and changed its name during 2017 when Council resolved to change the organisational architecture for the management of the Perpetual Investment Fund (PIF) by moving to a full outsourced model. Mercer New Zealand Limited (Mercer) manage the PIF.

Key annual objectives and performance indicators

A Governance Deed was entered into between the Council and NPG on 1 March 2017 and sets out the objectives for the management of the PIF:

1. To at least maintain the real capital of the PIF as a sustainable perpetual investment fund in the long term (the Founding Principle) whilst generating a sufficient return to maintain a sustainable release to the Council.
2. To ensure that the following principles underpin the operation of the PIF:
    a) All investments are made on purely commercial terms.
    b) The PIF will be managed on the basis of a prudent, commercial, diversified portfolio investment style and asset allocation, which manages risk to further the Founding Principle.

Significant policies and objectives on ownership and control

The performance of Mercer will be monitored and reviewed by NPG, a Council Controlled Organisation with a board of highly experienced directors.

Papa Rererangi i Puketapu Limited

Nature and scope of activity

In July 2017, the Council established Papa Rererangi i Puketapu Ltd (PRIP) as a separate Council Controlled Trading Organisation (CCTO) to manage the full operations of New Plymouth Airport and to oversee a major redevelopment of the Airport's terminal and surrounding infrastructure. The Council still retains ownership of the Airport company, the Aerodrome Operator Certificate and is the sole Shareholder.

The organisation is classed as a semi-commercial investment within the Council's Investment Policy.

PRIP's prime purpose is to operate the Airport on a sustainable commercial basis, to optimise the use of its assets and generate a reasonable return on investment.

The key to this is to ensure the ongoing safe and successful operation of the Airport, whilst facilitating tourism and trade by working with the airlines to increase passenger numbers and develop other commercial activity.

The Airport provides services to allow the safe and efficient facilitation of travellers and freight and, ancillary to this, it leases terminal space and land at the Airport.

In the management of the Airport operations, PRIP has the autonomy to set the following charges at the Airport:

- All fees and associated charges in respect to vehicle parking.
- All landing and parking charges from regular passenger transport services.
- All landing and parking charges from general aviation aircraft.
- All revenue from tenant's leases and rents, licences, concession based contracts and lessees outgoings.

The Airport is viewed as an essential infrastructure asset for the district and the Taranaki region and has a key role to play in the economic performance, growth and development of the area. PRIP will work collaboratively with the Council, the Venture Taranaki Trust, the Taranaki Chamber of Commerce and other key stakeholders, ensuring a combined approach to achieve the region's desired strategic goals.

Key annual objectives and performance indicators

1. Maintain the Airport facilities to avoid any disruption of scheduled commercial flights other than for weather or airline problems.
2. Meet all the operating, maintenance, capital expenditure and interest costs from Airport revenue.
3. Recover the aeronautical portion of Airport operational costs through landing charges.
4. Manage New Plymouth Airport in full compliance with the approved operating procedures of the Civil Aviation Authority Rule Part 139.

Significant policies and objectives on ownership and control

PRIP operates as a standalone company governed by an independent skills-based Board of directors and employs its own Chief Executive and staff. All Airport operations and assets are managed by the PRIP Chief Executive who has overall responsibility for implementing the company's strategic direction.

Venture Taranaki Trust

Nature and scope of activity

Venture Taranaki Trust (Venture Taranaki) is a Council Controlled Organisation whose Board of Trustees is appointed by the Council. Venture Taranaki is the economic development agency and regional tourism organisation for the Council, responsible for delivering the Council's active economic development and tourism initiatives as set out in its statement of intent. Its vision is "Together, a thriving region for all".

Venture Taranaki's objectives are to:

- Provide leadership and support for the development and implementation of local, regional and national strategies for the creation of a vibrant and prosperous New Plymouth District economy and Taranaki regional economy.
- Facilitate, promote, encourage and support sustainable business growth, investment and employment opportunities in New Plymouth District and the Taranaki region.
- Support and recognise the district's commercial enterprises, large and small, mature or start-up to establish, flourish and prosper.

The nature and scope of Venture Taranaki activities for the present and future members of the community resident in the Taranaki region include:

- Promote the New Plymouth District and the Taranaki region as a vibrant and desirable place to work, live, learn, play and invest.
- Facilitate, promote and support sustainable business growth, innovation, investment and employment opportunities in Taranaki.

Key annual objectives and performance indicators

1. Attract or retain six major events meeting (funded in accordance with the criteria of the major events fund).
2. The annual additional funding of 20 per cent secured for the provision of regional development programmes, projects and services into Taranaki in line with regional strategy such as Tapuae Roa, subject to central Government policy and funding.
3. Client satisfaction across all business support services, events, programmes and initiatives (Net promotor score 40+).
4. Ten events, programmes or initiatives to drive change and support regional strategy objectives such as Tapuae Roa and Taranaki 2050.
5. Performance measures and reporting requirements of external contracts (such as central government) are achieved by 90 per cent.

Significant policies and objectives on ownership and control

The Council appoints trustees to the Venture Taranaki Trust. This is to ensure the necessary independence, public credibility and specialised governance that the trust needs in order to be effective in delivering economic development programmes, while retaining accountability to the district's community.

Summary of Significance and Engagement Policy

Whakarāpopototanga i te Kaupapa Hiranga me te Whakaurunga

The Significance and Engagement Policy sets out for the community and Council the framework that Council uses to make decisions about significance (how important an issue is), and then whether to engage the community in the decision-making process.

Significance

The following criteria are considered in assessing significance:

1. How much does the matter promote Council's community outcomes for the New Plymouth District?
2. Does the matter impact the levels of service for any Council activity (as set out in the Long-Term Plan)?
3. Does the matter align with existing Council strategies, plans and policies and previous Council decisions?
4. How are people impacted by the matter? Are particular groups disproportionately impacted (such as Māori, socio-economic groups, town communities)?
5. How has the matter provided opportunities for the involvement of Māori in decision-making? How has any pre-engagement with iwi and hapū helped determine the significance to Māori and would further engagement provide for a more informed decision?
6. Does the matter mitigate or help the district adapt to climate change?
7. How big are the financial costs for the matter? Are they already budgeted for?
8. Is the matter reversible?
9. Are the public interested in the matter?

Having considered all these criteria, Council will make an overall judgement on the level of significance of the matter in each case.

The outcome of an assessment will be designating one of the following significance categories (which go from low to high significance) to the matter:

1. Some importance or administrative.
2. Moderate importance.
3. Significant.
4. Critical.

Engagement

Council will always engage when required to do so by law.

Council will also engage when it thinks the circumstances of the matter warrant it, based in part on the assessed significance of the matter. The significance and the likelihood of engagement is outlined in the following table.

Some importance or administrative	Moderate importance	Significant	Critical
Council will almost certainly not carry out any engagement.	Council may or may not carry out any engagement. Engagement may be targeted to directly affected individuals or groups, and there is unlikely to be wider community engagement.	Council will engage with directly affected individuals and groups and some form of wider community engagement is likely, unless there are good reasons not to do so (e.g. urgent timeframe, confidentiality obligations, nature of the decision makes it inappropriate).	Council will engage with directly affected individuals and groups and some form of wider community engagement is highly likely, unless there are good reasons not to do so (e.g. urgent timeframe, confidentiality obligations, nature of the decision makes it inappropriate).

Council will also consider other factors when considering whether engagement is worthwhile.

Where Council decides it will engage on a decision, it will then need to determine which form of engagement to use.

Council will use any form of engagement specified in law. Where there is no legislative direction, Council will determine the form of engagement on a case-by-case basis. In making its determination on the form of engagement, Council will consider which level of participation works best for the decision concerned, bearing in mind the significance and nature of the particular decision and the wider circumstances.

Council is committed to maintaining and improving opportunities for Māori to contribute to its decision-making processes. Council will engage with local iwi and hapū before making a significant decision in relation to land or a body of water. Council may also engage with local iwi and hapū on other matters as they arise. Council is more likely to engage where the significance assessment indicates that a decision impacts on the known issues of significance for the iwi and hapū.

Strategic assets

The following are Council's strategic assets:

- Govett-Brewster Art Gallery/Len Lye Centre.
- Housing for the elderly portfolio.
- The equity securities held in Papa Rererangi i Puketapu Limited (New Plymouth Airport).
- Pukekura Park.
- The Coastal Walkway.
- Parks and reserves network.
- Puke Ariki and community libraries (Inglewood, Urenui and Waitara, and leasehold interests in Bell Block and Oākura).
- TSB Stadium, TSB Bowl of Brooklands, TSB Showplace, Yarrow Stadium (the aspects of the Yarrow Stadium's operations under Council's control).

- Todd Energy Aquatic Centre and district summer pools (Waitara, Inglewood, Ōkato and Fitzroy).
- Network of formed roadways and paths for pedestrians and/or vehicles.
- The Resource Recovery Facility (the New Plymouth Transfer Station and the Materials Recovery Facility), Transfer Stations (Inglewood, Ōkato, Tongaporutu and Waitara), The Sorting Depot and The Junction.
- Stormwater network and drainage.
- Flood protection and control works.
- Water supply network and treatment plants.
- Wastewater network and treatment plant.

For network assets, it is the whole network that is the strategic asset.

A copy of the full policy is available on our website npdc.govt.nz

Revenue and Financing Policy

Te Kaupapa Ahumoni

Overview

This Revenue and Financing Policy describes how the New Plymouth District Council (NPDC) will fund its operating and capital expenditure for each Council activity.

This includes describing generally when NPDC will use the funding sources it is allowed to use and the breakdown of funding sources for each of its activities.

This gives NPDC and the community some certainty as to how Council activities will be funded.

How NPDC prepared this policy

There are two steps NPDC must follow in section 101(3) of the Local Government Act 2002 (LGA 02) when deciding the appropriate funding source(s) for each activity. For step 1, NPDC considered:

- the community outcomes to which each activity primarily contributes – these are set out on the following page;
- the distribution of benefits between the community as a whole, any identifiable parts of the community, and individuals - does the activity benefit individuals, particular groups and/or the community as a whole;
- the period of time over which the benefits are expected to occur - does the activity have short-term and/or long-term benefits;
- whether the activity is needed in response to the action(s), or lack of action(s), of a particular person or group – do particular persons cause the need for the activity; and
- the costs and benefits, including consequences for transparency and accountability, of funding the activity separately or with other activities – does the cost/benefit analysis support having distinct revenue sources, such as targeted rates or fees and charges, for the activity.

No one of these factors has a higher weighting in NPDC's considerations than any other.

For step 2, NPDC also considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

A summary of the Council's decisions is set out in Table 1.

A detailed funding needs assessment is provided in Table 2.

The modifications that the Council specifically made as a result of considering the overall impact are noted in Table 2.

NPDC has also ensured that this policy also supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. This is a relatively new requirement to be implemented for the first time in this policy. Further discussion is at page 7.

NPDC's community outcomes

Our community outcomes are:

Trusted **E whakaponotia ana**	• Strengthening Te Tiriti partnerships with hapū and iwi to improve well-being • Building trust and credibility with community, business, fellow councils and government • Demonstrating leadership and striving for operational excellence
Thriving Communities and Culture **Ngā Hapori me te Ahurea Tōnui**	• Connected and engaged communities • Safe and active communities • An equitable and inclusive approach to delivering for all our people and communities • Communities that embrace Te Ao Māori
Environmental Excellence **Te Kounga ā-Taiao**	• Restoring our ecosystems • Mitigating further environmental impacts • Tackling the challenges of climate change • Delivering resilient infrastructure efficiently
Prosperity **Tōnuitanga**	• Developing and supporting initiatives to achieve a diversified high-performing economy • An equitable economy where people have access to quality employment and opportunities to build wealth • Contributing to NZ Inc's environmental sustainability and economic performance

General policies for funding operating and capital expenditure

The sources of funding applied under this policy are limited to those set out in section 103(2) of the LGA 02.

The table below sets out which of those funding sources NPDC uses and its general approach to using them for funding capital and operating expenditure.

Funding source	Funding for operating expenditure	Funding for capital expenditure
General rates	General rates are used to fund activities where: • the activity, or part(s) of activity, benefit the community in general, or the benefit is property based; • the beneficiary cannot readily be identified; • NPDC has an objective to encourage the use of the service or more direct charging mechanisms may disincentivise use; and/or • a funding source that is easy to administer and easily recognised by ratepayers is appropriate.	General rates may be used to purchase assets where NPDC determines that funding the assets from debt is not the preferred option. General rates may be used for capital expenditure when the asset has a short life.
Targeted rates	Targeted rates are used to fund particular activities where: • particular individuals, groups or a geographical area benefit more from an activity; • a higher level of service is provided in particular areas; and/or • individuals, groups or a geographical area contribute more to the need to undertake the activity. Revenue collected from a targeted rate will only be used for the activity for which it is collected.	Targeted rates may be used to purchase assets where NPDC determines that funding the assets from debt is not the preferred option and the assets are to be used for the activity funded by the targeted rate. Targeted rates may be used for capital expenditure when the asset has a short life.
Fees and charges	NPDC will generally apply fees and charges for services where: • the user receives direct benefits, either entirely or in part, from the service; and/or • the use of the service is at the discretion of the user. NPDC may set user charges to recover all or part of the cost of the activity, including a market return on the value of any Council investment, subject to any applicable statutory limitations.	Fees and charges are not generally used for funding capital expenditure.
Interest and dividends from investments	Interest and dividends and other investment income is used to fund operating expenditure and may be transferred to specified reserves. Revenue is appropriated to general funds unless otherwise allocated through a Council resolution.	Investment income is not used for funding capital expenditure. However, funds from the Perpetual Investment Fund release may be transferred to reserves for the use of funding capital expenditure projects as determined by the Council.

Funding source	Funding for operating expenditure	Funding for capital expenditure
Borrowing	NPDC will not borrow to fund operating costs for a service, unless the Council determines to do so if: • the expenditure is on significant maintenance that has a long-term impact that is of a similar nature to renewal capital expenditure; or • there are extraordinary reasons to justify borrowing as a short-term or interim solution (such as in an emergency).	Borrowing is the preferred method of funding new capital expenditure for level of service and growth related projects. Borrowing may be used to fund the renewal of long life assets. All of these aspects have an intergenerational benefit aspect. Borrowing is an appropriate funding mechanism because it spreads the cost to the community over time. Borrowing is generally repaid from funds collected from the general rate and targeted rates.
Proceeds from asset sales	Operating costs are not funded from asset sales.	NPDC will use proceeds from asset sales as an appropriate source for purchasing assets, building a reserve for the future purchase of assets, or retiring debt.
Development contributions	Operating costs cannot be funded from development contributions.	Development contributions will be used to fund the portion of new asset expenditure required as a result of increased demand related to growth.
Financial/environmental contributions	Operating costs are not funded from financial contributions.	Financial/environmental contributions will be used to fund the proportion of new asset expenditure that is required to avoid, remedy or mitigate the adverse environmental effects resulting from subdivision and development.
Grants and subsidies	NPDC's general approach to grants and subsidies is to accept these when offered, provided they are consistent with the intentions of NPDC. NPDC reserves the right to receive and use more grants and subsidies when they are offered. Grants and subsidies will be used for operating or capital expenses when to do so is consistent with the purpose for which they were given.	
Reserves	Reserves may be used for operating expenditure when it is consistent with the purpose and restrictions relating to that reserve.	Reserves may be used for capital expenditure when it is consistent with the purpose and restrictions relating to that reserve. NPDC's main method of funding the renewal of assets is from the renewal reserve.

General rates

General rates are made up of two components – the Uniform Annual General Charge (UAGC) and land value differentiated general rates.

Uniform Annual General Charge

The Council sets and assesses a UAGC on each separately used or inhabited part of a rating unit as defined in the funding impact statement.

Differential groups and general rates

Each rateable rating unit will be charged a general rate assessed on land value. The general rate is set on a differential basis so each rateable rating unit is allocated to a differential category based on land use. The differential factor for the category determines how much of the general rate is paid by that category.

The categories are:

Category	Indicative differential factor for rating year
Group 1: Commercial/Industrial	3.0
Group 2: Residential	1.0
Group 3: Small holdings	0.8
Group 4: Farmland	0.75

The rationale for these differential categories is described in the overall impact modifications described below.

Overall impact adjustments

Step 2 overall impact adjustments that NPDC made are:

Income applied to offset rates requirements

NPDC's Perpetual Investment Fund income is used to offset general rates. This has benefits for the residents of the district because it means NPDC can provide higher levels of service and better facilities than would normally be available in a district of this size, while keeping the impact on ratepayers low. The Council's investments are managed carefully to ensure that these benefits are maintained or improved.

The general rate differential factors

NPDC settled on the indicative differential factors set out on this page for the following reasons.

For commercial/industrial rating units, it considers that this category has a bigger **impact on costs** when:

- businesses place a greater impact on local government services and infrastructure than residential properties. This is particularly so in the transportation activity where a higher level of service is required because of the intensity and impact of heavy vehicle movements leading to higher costs in that activity; and
- there is a greater impact on the need for regulatory services including activities such as liquor licensing, noise control, parking, consent processing (resource and building) and monitoring (after the recovery of fees and charges) than other differential categories generate.

It also considers that businesses **benefit directly** from a number of activities which improve the local economy which generates additional revenue for them, as well as receiving in common with the rest of the community the broader indirect benefits from increased employment and economic growth in the district.

Lastly, businesses often have a higher **ability to pay** rates compared to individual residents. They generate income and profits from their operations, often making them better equipped to absorb the cost of higher rates.

Overall, higher general rates can be seen as a way for businesses to make a fair contribution to the local community's development and well-being.

The basis on which the Council decided to reduce the differential factor for small holdings properties slightly below that for residential properties is:

- Recognising that some Council services are not as available to these properties compared with residential properties because of the extra distance to be travelled to use the services.
- The levels of service for activities like water services, footpaths, streetlights etc. are lower in predominately rural areas.
- The impact of the residential differential factor on these properties meant, because of the relatively high land value of small holdings properties, that small holdings properties would have paid a disproportionate amount of the general rate.

Level at which UAGC is to be set

As all properties either contribute to the need or benefit equally from some activities of Council (e.g. Governance), the Council decided that all properties should contribute an equal amount to the funding of that activity. This is best achieved using the UAGC and accordingly the UAGC will be set through Council resolution as a percentage of the general rates requirement. The percentage determined will balance the amount required from both low and high value properties.

Sustainability of rates funding

NPDC is aware that although rates are a tax based on a property's land value, they do not reflect a ratepayer's ability to pay (such as the ratepayer's income). This can have a negative impact on the social well-being of the community. NPDC is aware of issues about the sustainability of rates funding so it promotes the use of the rates rebate scheme to help mitigate costs for people on low incomes. NPDC also allows rates to be paid in quarterly instalments and the Council promotes the use of regular payments. NPDC also has Rates Remission and Postponement Policies.

Supporting the principles set out in the Preamble to Te Ture Whenua Māori Act

Section 102(3A) of the LGA 02 provides that this policy must also support the principles set out in the Preamble to Te Ture Whenua Maori Act 1993. These principles include that land is taonga tuku iho of special significance to Māori people, and to facilitate the occupation, development and utilisation of that land for the benefit of its owners, their whanau and their hapū.

Council considers that the primary means by which it can support these principles in terms of rates is its rates remission on Māori land policy. The policy provides numerous schemes for rates relief for Māori land, which is broadly defined in the policy. It includes more than just Māori freehold land.

Summary of decisions about use of funding sources

Table 1 outlines at a high-level the proportion of funding each activity or sub-activity will receive from the various sources.

The use of funding sources for operational costs is described in terms of the following indicative bands:

Funding description	Percentage funded
High	66-100%
Medium	More than 33% - less than 66%
Low	0-33%
None	0%, unless there are exceptional circumstances

Funding sources for capital expenditure are described in terms of whether they are used for a particular activity.

Table 1: Summary of decisions about use of funding sources for each activity

Council activity	General rates	Targeted rates	Fees and charges	Grants and subsidies	Borrowing	Reserves	Development contributions	Other sources or comment (where applicable)
Community Partnerships								
Community partnerships	High	None	None	Low	Yes	Yes	No	
Housing for the elderly	Low	None	High	Low	Yes	Yes	No	General rates may repay debt for level of service improvements for new units.
Customer and Regulatory Solutions								
Animal control	None	None	High	None	Yes	Yes	No	
Building consents	Low	None	High	None	Yes	Yes	No	
Building monitoring, enforcement and public enquiries (including swimming pool inspections)	Low	None	High	None	Yes	Yes	No	
District planning	High	None	Low	None	Yes	Yes	No	
Resource consent application processing and monitoring	Low	None	High	None	Yes	Yes	No	
Resource management, monitoring, enforcement and public enquiries	Medium	None	Medium	None	Yes	Yes	No	
Environmental health	Low	None	High	None	Yes	Yes	No	
Parking	None	None	High	None	Yes	Yes	No	Any parking revenue above cost recovery is available to offset general rates.
Economic Development								
Economic Development	High	Low	None	Low	No	Yes	No	
Emergency Management and Business Continuance								
Emergency Management and Business Continuance	High	None	None	Medium	Yes	Yes	No	
Flood Protection and Control Works								
Flood Protection and Control Works	High	None	None	Low	Yes	Yes	Yes	
Governance								
Governance	High	None	Low	Low	Yes	Yes	No	
Community board discretionary funding	High	None	None	Low	None	Yes	No	
Govett-Brewster Art Gallery/Len Lye Centre								
Govett-Brewster Art Gallery/Len Lye Centre	High	None	Low	Low	Yes	Yes	No	

Council activity	General rates	Targeted rates	Fees and charges	Grants and subsidies	Borrowing	Reserves	Development contributions	Other sources or comment (where applicable)
Management of Investments and Funding								
New Plymouth District Council (Waitara Lands) Act 2018	None	None	Yes	None	No	Yes	No	Lease and sale proceeds from Waitara endowment properties. Interest and dividends from derived funds.
Airport - Papa Rererangi i Puketapu Ltd	High	None	None	None	Yes	No	No	The dividend from Papa Rererangi i Puketapu Ltd repays borrowing.
Perpetual Investment Fund	High	None	None	None	No	Yes	No	Interest and dividends. The release from the Perpetual Investment Fund offsets general rates. A portion of the release may be transferred to reserves for specified outcomes.
Forestry (including joint ventures)	High	None	None	None	Yes	Yes	No	Interest and dividends. Funds received from forestry activities are placed into the Forestry Reserve.
Voluntary targeted rates schemes	None	High	Yes	None	Yes	No	No	
Parks and Open Spaces								
Urban design and streetscapes	Low	High	None	Low	Yes	Yes	Yes	
Cemeteries	Low	None	High	Low	Yes	Yes	No	
Crematorium	Low	None	High	Low	Yes	Yes	No	
Public parks and reserves	High	Low	Low	Low	Yes	Yes	Yes	
Sports parks	High	None	Low	Low	Yes	Yes	Yes	
Campgrounds	Low	None	High	None	Yes	Yes	No	
Public halls	Medium	Low	Medium	Low	Yes	Yes	Yes	
Public toilets	High	None	Low	Low	Yes	Yes	No	
Walkways and shared pathways	Low	Low	None	Medium	Yes	Yes	Yes	
Puke Ariki and Community Libraries								
Museum and isite Visitor Information Centre	High	None	Low	Low	Yes	Yes	No	
Libraries	High	None	Low	Low	Yes	Yes	Yes	
Three Waters								
Stormwater Management	Medium	Medium	None	No	Yes	Yes	Yes	
Wastewater Treatment	Low	High	Low	Low	Yes	Yes	Yes	
Water Supply	Low	High	Low	Low	Yes	Yes	Yes	

Council activity	General rates	Targeted rates	Fees and charges	Grants and subsidies	Borrowing	Reserves	Development contributions	Other sources or comment (where applicable)
Transportation								
Transportation	Low	Low	Low	Medium	Yes	Yes	Yes	
Venues and Events								
Aquatic Centre and district pools	Medium	Low	Low	Low	Yes	Yes	Yes	
Community events	High	Low	Low	Low	Yes	Yes	No	
Event venues	Low	None	High	Low	Yes	Yes	No	
Waste Management and Minimisation								
Kerbside collection	Low	High	Low	No	Yes	Yes	No	
Landfills	High	None	None	Low	Yes	Yes	No	
Resource recovery facilities	Medium	None	Medium	No	Yes	Yes	No	
Transfer stations	Low	None	High	Low	Yes	Yes	No	
Waste minimisation	High	None	Low	Low	No	Yes	No	

Table 2: Funding needs assessment

This table sets out NPDC's considerations for how it should fund operating and capital expenditure for each activity. It should be read with Table 1, particularly the description of when borrowing is used to fund capital expenditure, and when grants and subsidies and reserves may be used. The general policies describe the rationale for use of these sources, particularly for capital expenditure.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Community Partnerships							
Community partnerships	This activity includes community grants and funding, and capacity building of community organisations (predominantly via The Wheelhouse regional initiative).	High: Thriving Communities and Culture, Trusted. Medium: Environmental Excellence, Prosperity.	Groups that are funded receive considerable benefits. Significant benefits for the entire community as well.	Predominately short-term benefits, although some long-term benefits from developing capacity and self-sufficiency in community groups.	Community groups seeking support.	High costs, as while recipients are easily identified, it would undermine the purpose of community funding to do so.	General rates 95%. Grants and subsidies 5%. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit from supporting community partnerships. Grants and subsidies recognise the wider source of funding that is available to support the activity.
Housing for the elderly	This activity involves the provision of approximately 140 units for elderly residents to rent as a social housing scheme.	High: Thriving Communities and Culture, Trusted. Medium: Environmental Excellence, Prosperity.	Tenants receive significant benefits. There are some benefits to the whole community (and to elderly as a group) through ensuring vulnerable elderly are looked after.	Tenants receive short-term benefits while resident. Long-term benefits arise from the capital expenditure on units which are spread across multiple tenants.	Tenants.	There are low costs to separate funding through rental agreements.	Fees and charges 90%. General rates 10%. The use of fees and charges in the form of rent, represent the benefit to the individual tenants. The general rate portion represents the wider benefits to the whole community. Capital expenditure is funded either from fees and charges and/or general rates, or from borrowing which is repaid using funds from these sources.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Customer and Regulatory Solutions							
Animal control	This activity is responsible for dog registration, responding to dog and other animal control incidents, and proactive management of animal issues.	High: Thriving Communities and Culture, Trusted, Environmental Excellence, Prosperity.	Significant benefits to dog and other animal owners. Significant safety benefit to whole community.	Predominately short-term benefits. Some long-term benefits from capital improvements to the Pound.	Dog and other animal owners (particularly of dangerous, menacing or wandering dogs/ animals, and those that do not look after them or keep them under control). Dog owners who do not follow the Dog Control Bylaw, and other animal owners that do not follow the Animals Bylaw.	There would be low costs associated with having separate funding mechanisms, and medium to high benefits including in terms of transparency and accountability, and incentivising responsible animal management.	Fees and charges 100%. User charges recognise that the benefit of registration activities are to dog and other animal owners.
Building consents	This activity issues building consents, undertakes inspections and issues code of compliance certificates.	High: Thriving Communities and Culture, Trusted, Environmental Excellence, Prosperity.	Significant benefits to property owners, particularly those constructing a building. Some benefits to the whole of the community through safe buildings.	Short-term benefits for property owners undertaking construction. Long-term benefits through safe buildings.	Building consent applicants.	There would be low costs associated with having separate funding mechanisms (due to legal requirements to apply for an application), and medium to high benefits including in terms of transparency and accountability.	Fees and charges 95%. General rates 5%. Users charges recognise the benefits building owners receive having their building certified legally compliant. General rates are the appropriate funding source for the community as they are easy to administer and it recognises the safety benefit to the community.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Building monitoring, enforcement and public enquiries (including swimming pool inspections)	This activity includes regulation of earthquake-prone, dangerous and insanitary buildings. It also includes regular inspections of private swimming pools.	High: Thriving Communities and Culture, Trusted, Environmental Excellence, Prosperity.	Building owners, including swimming pool owners. City Centre businesses and patrons also benefit. Considerable benefit to the community.	Short-term benefits through inspections, long-term through safe buildings.	Owners of earthquake-prone, dangerous or insanitary buildings, and swimming pools.	High costs and low benefits to charge earthquake-prone, dangerous or insanitary buildings as it may be counter-productive to identifying buildings. Low costs and some benefits from funding swimming pool inspections separately.	Fees and charges 80%. General rates 15%. Targeted rates <5% (swimming pool inspections). Users charges recognise the benefits from building owners having their building certified legally compliant. Targeted rates recognise the benefit by owners having their pool certified legally compliant. General rates are the appropriate funding source for the community as they are easy to administer and it recognises the safety benefit to the community.
District planning	This activity involves developing the District Plan and plan changes under the Resource Management Act 1991. (This activity will also include participation in the Regional Spatial Strategy and Natural and Built Environment Plans under the RMA replacement legislation).	High: Thriving Communities and Culture, Trusted, Environmental Excellence, Prosperity.	Individual landowners and rezoned areas benefit from zoning. There are significant benefits to the whole community.	Short and long-term benefits arising from this activity.	Private plan change applicants. Owners of zoned land not utilising that land for the zoned purpose (e.g. not subdividing residentially zoned land).	High costs to separate funding, exception for private plan change applications.	General rates 95%. Fees and charges 5%. The use of the general rate to fund District Planning recognises that the benefits are to the whole community and are property based. The use of the fee and charges recover plan changes that benefit individuals.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Resource consent application processing and monitoring	This activity involves the processing of applications for resource consents and the monitoring of any conditions attached to those consents.	High: Thriving Communities and Culture, Trusted, Environmental Excellence, Prosperity.	Applicants for resource consents receive significant benefits. There are wider community benefits through managing negative externalities.	Short-term benefits for applicants in enabling development. There are long-term benefits through preventing negative impacts from development.	Applicants for resource consents.	Low costs to distinct funding due to resource consent application process, and high benefits.	Fees and charges 95%. General rates 5%. User charges revenue from those using the services and breaching consent conditions. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit to the community.
Resource management, monitoring, enforcement and public enquiries	This activity involves monitoring the district for breaches of the District Plan, enforcement activity, as well as attending to public enquiries.	High: Thriving Communities and Culture, Trusted, Environmental Excellence, Prosperity.	Individuals with enquiries. Significant benefit to the whole community through monitoring and enforcing the District Plan.	Short and long-term benefits through ensuring District Plan compliance.	Those not complying with District Plan requirements.	High costs to charging for enquiries as it deters enquiries. Benefits to separate funding as a penalty for breaching the District Plan, but limited by enforcement cost and infringement/ fine quantums.	General rates 50%. Fees and charges 50%. User charges and fines recover costs from those using the services and breeching the District Plan. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit to the community.
Environmental health	This activity includes regulating businesses under the Food, Sale of Alcohol and Health acts, and monitoring and enforcing a range of bylaws.	High: Thriving Communities and Culture, Trusted, Environmental Excellence, Prosperity.	Individual benefits to regulated businesses and to individuals who use those businesses. There are benefits to the entire community by ensuring safe regulation of food, alcohol and other environmental health issues.	Significant short-term benefits in the provision of these services. Limited long-term benefit.	Businesses undertaking services that are regulated by environmental health provisions. Individuals or businesses causing public nuisance or requiring of regulatory attention.	Low costs of distinct funding with high benefits from doing so, except where fines etc through enforcement of breaches are obtained after Court action (generally on a cost recovery basis). This sometimes means high costs from distinct funding but still high benefits.	Fees and charges 85%. General rates 15%. Individuals can be identified that directly benefit from the services. However, the community as a whole benefits from ensuring compliance with the relevant public health legislative rules and regulations. A split of fees and charges and the general rate is therefore considered the most appropriate and efficient funding sources.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Parking	This activity involves monitoring of parking compliance (both on and off street) across the district, including metered parking.	High: Thriving Communities and Culture, Trusted, Environmental Excellence, Prosperity.	Individuals who park their car. Businesses, particularly retailers, to ensure appropriate turnover of car parking spaces.	Short-term benefits in achieving appropriate parking turnover to encourage economic activity and transport policy objectives. Long-term benefits arise from investment in parking facilities.	Individuals parking unlawfully. Individuals parking in business areas for long time periods.	Medium costs for separate funding due to need for parking solution (including hardware and software) and compliance officers. Significant benefit is that those who experience greatest benefit from the service bear the cost and pay for their private utilisation of public space.	Fees and charges 100%. Parking assists in attracting residents and visitors to the town centres and contributes to economic development. Both residents and visitors directly benefit from the provision of car parks and as such, it is considered appropriate to recover the costs of the activity through fees and charges.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Economic Development							
Economic Development	This activity includes Council's ownership and funding arrangements with Venture Taranaki, and other activities to promote economic development.	High: Prosperity. Medium: Trusted, Thriving Communities and Culture, Environmental Excellence.	Individuals visiting or moving to region. Businesses receiving support services. Business sectors receiving promotion or other support (visitor sector, farming sector, new energy sector etc). The wider community through enhanced economic development.	Short-term benefits to businesses that access support services. Long-term economic benefits to district.	Businesses requiring support. Industry and cluster groups requiring development assistance and co-ordination.	Charging fees may act as disincentive to uptake and limit benefits of service. This may also jeopardise access to central government funding streams.	General rates 90%. Targeted rates 10%. Council supports and promotes economic development within the district to assist with meeting the social and economic needs of current and future communities. The long-term nature of this type of investment means that the benefits cannot always be directly attributed to individuals. As such this component of economic development is best funded through the general rate. The promotion of the district as a destination is of benefit primarily to the commercial and industrial sector, accommodation providers and retail businesses, as such, a portion of funding should be recovered through targeted rates. *Note that the Council modified the funding through Step 2 for the activity to be funded 100% General Rate.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Emergency Management and Business Continuance							
Emergency Management and Business Continuance	This activity involves civil defence activities for the district. It also includes the funding of the Taranaki Emergency Management Office.	High: Trusted, Thriving Communities and Culture. Medium: Prosperity, Environmental Excellence.	Individuals benefit through safety in response to disasters, businesses receive assistance to prepare for emergencies. Significant benefits to wider community in provision of emergency response.	Short-term benefits in emergency readiness, reduction, immediate emergency response and recovery. Long-term benefits in reduction of risks from hazards and enhancing community resilience.	Individuals living in high risk areas. Individuals and businesses not adequately prepared for emergencies, especially those in low socioeconomic areas, isolated areas or high risk hazard areas.	Users would only be able to be identified after incident has occurred. Charging would discourage uptake of service and there are high social and environmental costs from not engaging with services.	General rates 100%. The planning for emergencies benefits all of the community and therefore general rates is the appropriate funding source.
Flood Protection and Control Works							
Flood Protection and Control Works	This activity involves flood protection schemes, which predominately protects the New Plymouth City Centre from flooding.	High: Prosperity. Medium: Environmental Excellence, Thriving Communities and Culture, Trusted.	Property owners/ tenants in protected areas. Benefits to hapū and iwi where protection preserves areas of cultural or historical significance. Benefits to whole community in reducing damage to the City Centre to protect economic activity and district service provision.	Short-term benefits during heavy rainfall. Significant long-term benefits through protection of areas giving greater security and lower risk for City Centre investment.	Property owners or new developments in protected areas (predominately New Plymouth City Centre). Additional population and growth places pressure to expand services.	Medium costs to distinctly funding these works however lower benefit to distinctly funding the entire operating costs of the activity from immediate beneficiaries given broad community benefits of the protection schemes.	Targeted rates 70%. General rates 30%. **Note that the Council modified the funding through Step 2 for the activity to be funded 100% General Rate.* The service is provided primarily for the safety of the public and property. Funding derived from a targeted rate recognises that some parts of the district benefit more widely than others. The general rate portion recognises that there is also an overall community benefit. Capital expenditure is partly funded by development contributions where works are required because of growth.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Governance							
Governance	This activity supports the activities and operations of elected members as well as external appointees on Council committees. The activity includes elections and civic functions.	High: Trusted, Thriving Communities and Culture.	Significant benefit to community as a whole, to the extent that particular benefit by individuals or groups is insignificant.	Short-term benefits facilitating governance of elected members and delivery of civic functions. Long-term benefits of robust electoral and governance processes.	None identified.	High cost and low benefit to distinctly funding this activity as no particular groups or processes available for charging and broad community-wide benefits.	General rates 100%. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefits to the whole community.
Community board discretionary funding	Community board discretionary funding is set for each of the five boards. The boards can use the funding for a wide range of Council-related activities in their areas.	High: Thriving Communities and Culture, Trusted. Medium: Environmental Excellence, Prosperity.	The benefits accrue strongly to community board areas, but there are some wider community benefits. All of the community can use what is funded in those areas.	Some projects funded have short-term benefits and others long-term benefits.	Community boards and their areas, those that use facilities/ attend activities in community board areas.	There would be low costs associated with having a separate targeted rate, and medium benefits including in terms of transparency and accountability.	General rates 100%. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefits to the whole community. Unspent funds may be transferred to reserves and used as a future source of funding to complete activities.

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Govett-Brewster Art Gallery/Len Lye Centre							
Govett-Brewster Art Gallery/Len Lye Centre	This activity provides an art museum and home of the Len Lye collection and archive. It provides public exhibitions and programmes, cinema, publishing and collections.	High: Thriving Communities and Culture, Trusted. Medium: Environmental Excellence, Prosperity.	Visitors receive significant benefits. Local businesses benefit from gallery visitors. Academics, researchers and the creative sector benefit from collection and archives. Schools benefit from education programme. Community groups (e.g. LGBTQI+, cultural groups and disability groups) benefit from service delivery. Gallery partnership with Whiringa Toi delivers benefit to Māori community and Māori creatives.	Short-term benefits to visitors and local businesses. Long-term benefit through collection.	Additional population and growth places pressure to expand services.	Low costs to distinct funding as users identifiable. Medium benefits only to distinctly funding activity as wide community benefit.	General rates 75%. Fees and charges 25%. General rates are the appropriate funding source for the community as they are easy to administer and recognise the benefit from promoting and exhibiting the arts. Fees and charges acknowledge the benefit that is realised from users of the facility that live outside the district.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Management of Investments and Funding							
New Plymouth District Council (Waitara Lands) Act 2018	This activity manages the leasing and freeholding of Waitara endowment land, the funds held in Hapū Land Fund and Waitara Perpetual Community Fund and the transfer of funds to Taranaki Regional Council.	Medium: Trusted, Thriving Communities and Culture, Environmental Excellence, Prosperity.	Individual leaseholders, Waitara community, Te Kōwhatu Tū Moana (Manukorihi and Otaraua hapū), Taranaki Regional Council, Waitara River Catchment.	Short-term benefits for leaseholders in continued leasing of their property, and to recipients for community projects funded through Trust funds. Long-term benefits for leaseholders that purchase sections having greater home security and asset ownership. Long-term benefits for hapū as a result of development projects.	Individual leaseholders and freeholders.	Low costs to distinct funding for this activity, with leaseholders identifiable and billable. High benefits to distinct funding as benefits primarily received by leaseholders buying their sections. Medium benefit managing revenue from leasehold sales, with targeted group receiving majority of benefits.	Fees and charges: rental income. Other sources: proceeds of asset sales, interest and dividends. Funding rationale: The New Plymouth District Council (Waitara Lands) Act 2018 sets out the funding arrangements for this activity.
Airport - Papa Rererangi i Puketapu Ltd	Council is the owner and operator of New Plymouth Airport, with Papa Rererangi i Puketapu Limited (PRIP) in charge of management. This activity manages NPDC's funding arrangements with PRIP (borrowing and dividends).	Medium: Trusted, Thriving Communities and Culture, Environmental Excellence, Prosperity.	Individual users of airport, businesses and the whole community.	Short-term benefits for individuals, businesses and the community. Long-term benefits for the community.	Users of the airport (businesses and individuals). Additional population and growth places pressure to expand services.	Distinct funding of Council oversight of PRIP has high costs and low benefits.	General rates 100%. The Airport operates as a Council Controlled Organisation and does not directly receive rate funding.

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Perpetual Investment Fund	This activity relates to the management of the Perpetual Investment Fund (PIF), established from the sale of NPDC's shareholding in PowerCo.	High: Prosperity. Other outcomes depending on funding use.	The PIF provides a predictable and stable income stream to NPDC and therefore the whole community benefits, directly and indirectly. Benefit distribution depends on the activity/activities that this funding is then dedicated towards. The PIF Bill provides the PIF must benefit the social, economic, environmental and cultural well-being of current and future communities.	Short-term benefits limit rate increases without reducing level of service provision. Long-term benefit is source of ongoing revenue for district and reduction of financial risk through diversification of revenue sources.	Previous generations that have developed a large financial asset for NPDC.	Low costs and benefits to distinct funding for this activity.	General rates: contribution of 100%. The activity provides a significant revenue source to Council to offset expenditure. Therefore it is appropriate that general rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the wider benefit to the community. The Council may choose to apportion some of the release to reserves to provide for specific outcomes.
Forestry (including joint ventures)	This activity includes Council's harvest forests, and the funding arrangements for the two remaining forestry joint ventures.	Medium: Trusted, Thriving Communities and Culture, Environmental Excellence, Prosperity.	Joint venture partners benefit from co-investor. Community groups and clubs that access forestry areas for recreation. Whole community benefits from revenue.	Short-term benefits from recreational and visual amenity of forestry. Long-term benefit of additional revenue for district and reduction of financial risk through diversification of revenue sources.	Individual accessing forestry land for recreational use.	Low costs of distinct funding as joint venture agreements contain cost and revenue allocations. Higher costs to distinct funding for recreational access to forestry areas.	General rates 100%. Any expenditure required to manage this activity is funded from either the general rate or the forestry reserve. The net revenue from the activity is either used as an offset against general rates and/or transferred to a forestry reserve.

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Voluntary targeted rates schemes	This activity includes any voluntary targeted rate scheme supporting households to undertake sustainability improvements to their house and property. (Entry into Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes) Scheme is currently suspended, however schemes may be established in the future.)	Medium: Trusted, Thriving Communities and Culture, Environmental Excellence, Prosperity.	Individuals/ households that have accessed funding. (Marae and non-rateable landowners cannot access scheme).	Short-term benefits to households accessing scheme. Limited long-term benefits to capital value of houses accessing scheme and the health outcomes associated with drier homes.	Individuals accessing the schemes.	Medium costs to distinct funding, with users readily identifiable however with financial cost associated with billing user. Strong benefits in distinct funding of this activity as benefits are wholly delivered to those accessing schemes.	Targeted rates 100%. The schemes provide funding to identifiable beneficiaries, therefore, it is appropriate to recover the costs by way of a targeted rate directly from these ratepayers.
Parks and Open Spaces							
Urban design and streetscapes	This activity provides for the management of urban streetscapes in the City, Town and Local Centres. This includes implementing the Ngāmotu New Plymouth City Centre Strategy.	High: Thriving Communities and Culture, Environmental Excellence. Medium: Prosperity, Trusted.	Businesses in areas with streetscapes (City, Town and Local Centres). Individuals who use those areas. Wider community benefits through beautification of urban areas and improved shopping experience.	Long-term benefits through capital improvements. Some short-term benefits.	Building owners that do not maintain attractive frontages. Additional population and growth places pressure to expand services.	High costs to charging individuals who use those areas. Low costs to targeted rates on property owners.	Targeted rates 70%. General rates 30%. **Note that the Council modified the funding through Step 2 for the activity to be funded 100% General Rate.* Targeted rate funding acknowledges the benefit derived by properties within or close proximity to the town centres benefiting from the activity's expenditure. General rate funding recognises that there is an overall community benefit to supporting thriving streetscapes and shopping areas. Capital expenditure is partly funded by development contributions where works are required because of growth.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Cemeteries	This activity relates to the management and operations of the district's cemeteries, including both open and closed cemeteries.	High: Thriving Communities and Culture, Environmental Excellence. Medium: Prosperity, Trusted.	Individual families using the cemetery services (noting that Māori landowners may have lower use as they often use their own urupā). Returned Services spaces are provided, with recognising war graves a benefit throughout the district. Benefit to whole community in providing safe burial services.	Short-term benefits for families of deceased. Long-term benefits of activity provide public health benefit of safe burial services and the provision of grave sites.	Those requiring burial services. Individuals who visit cemeteries. Religious groups (with particular requirements) and the Returned Services Association (solider graves). Additional population and growth places pressure to expand services.	Low cost to distinct funding for this activity in the short-term, with users readily identifiable and billable. Benefits to separate funding for cemeteries to incentivise cremation (to reduce long-term costs).	Fees and charges 75%. General rates 25%. Individuals pay user charges for the initial acquisition and use of burial site. General rates recognise the wider community benefit in providing and maintaining safe burial services.
Crematorium	This activity relates to the management and operations of the district's crematorium.	High: Thriving Communities and Culture, Environmental Excellence. Medium: Prosperity, Trusted.	Individual families using crematorium services (noting that Māori landowners may have lower use as they often use their own urupā). Benefit to whole community in providing safe cremation services.	Short-term benefits for families of deceased. Long-term benefits of activity provide public health benefit of safe cremation services.	Those requiring cremation services. Religious groups (with particular requirements). Additional population and growth places pressure to expand services.	Low cost to distinct funding for this activity, with users readily identifiable and billable. Benefits to separate funding cremation vis-à-vis cemeteries (to reduce long-term costs).	Fees and charges 80%. General rates 20%. Individuals pay user charges for the use of the crematorium. General rates recognise the wider community benefit in providing and maintaining safe cremation services.

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Public parks and reserves	This activity provides for the management and maintenance of the district's public parks, reserves, sports grounds, gardens, trees, and Brooklands Zoo.	High: Thriving Communities and Culture, Environmental Excellence. Medium: Prosperity, Trusted.	Significant community benefits from natural environments for recreation. Individual users, concessionaires, event organisers, sports clubs using the spaces benefit. Leaseholders and graziers that operate on reserve land benefit. Benefit to iwi in preserving wāhi tapu and taonga sites (but acknowledging loss of ownership/ control).	Short-term benefits of safe high quality green environments and sports parks. Long-term benefits from positive environmental outcomes, enhanced biodiversity and well-being.	Individual users, including concessionaires, business owners, leaseholders and graziers. Sports and community groups that use parks and public spaces. Additional population and growth places pressure to expand services.	High cost to distinct funding as users cannot be identified and excluded. Where individuals/ groups seek exclusive use distinct funding has low cost, such as for sports parks. Separate funding can act as a disincentive to use.	General rates 80%. Targeted rates 15%. Fees and charges 5%. **Note that the Council modified the funding through Step 2 for the activity to be funded 95% General Rate and 5% Fees and Charges.* User charges set at an appropriate level to promote the sustainable use of these facilities. Targeted rates acknowledge the higher level of service for some communities. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit to the community. Capital expenditure is partly funded by development contributions where works are required because of growth.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Sports parks	This activity involves the management and maintenance of the district's sports parks, which provide venues for recreation and competitive sports.	High: Thriving Communities and Culture, Environmental Excellence. Medium: Prosperity, Trusted.	Individuals , sports clubs, iwi and community groups that use facilities. Entire community benefits from high amenity sports parks. Community also benefits from hosting of major sports events.	Short-term benefits of safe, accessible, high quality sports parks for residents and visitors. Long-term benefit of well-being and economic outcomes provided by high amenity sports parks.	Individuals, sports clubs and community groups users. Additional population and growth places pressure to expand services.	Low cost with some users readily identifiable and billable. Medium benefits from charging users having direct benefit, but separate funding can act as a disincentive to use.	General rates 80%. Fees and charges 20%. User charges set at an appropriate level to promote the sustainable use of these facilities. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit to the community. Capital expenditure is partly funded by development contributions where works are required because of growth.
Campgrounds	This activity relates to lease management and site maintenance of NPDC owned campgrounds, including Belt Road, Onaero, Urenui, Waitara, Fitzroy, and Ōākura campgrounds	High: Thriving Communities and Culture, Environmental Excellence. Medium: Prosperity, Trusted.	Individual benefits for campground lessors, patrons. Ratepayer benefits from reduced rates (from rental income). Entire community benefits from recreation and visitor attraction.	Predominately short-term benefits for residents and visitors. Long-term benefits from vibrant place to live and visit.	Campground patrons.	Low costs to distinct funding with users readily identifiable and billable. Medium benefits to distinct funding from users having direct benefit.	Fees and charges 90%. General rates 10%. Fees and charges recognise the direct benefit provided to individuals and visitors who use the facilities provided by Council. General rates funding recognises the wider economic community benefit through the provision of these recreational and visitor attractions.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Public halls	This activity relates to the management and maintenance of public halls.	High: Thriving Communities and Culture, Environmental Excellence. Medium: Prosperity, Trusted.	Individuals using/attending events. Private enterprise, community groups (including sporting) using halls. Benefits to the entire community from access to free/low cost public spaces and events.	Short-term benefits to users. Long-term benefits for community well-being and potentially heritage benefits.	Individuals/groups using halls. Civil Defence may use hall in emergency. Additional population and growth places pressure to expand services.	Medium costs to distinct funding as individuals/groups booking halls are readily identifiable for charging. Limited benefits to distinct funding, as there are benefits to wider community and user willingness/ability to pay is lower than cost recovery level.	General rates 40%. Fees and charges 40%. Targeted rates 20%. **Note that the Council modified the funding through Step 2 for the activity to be funded 60% General Rate and 40% Fees and Charges.* User charges are set at an appropriate level to promote the sustainable use of these facilities. Targeted rates acknowledge the higher level of service for some communities. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit to the community. Capital expenditure is partly funded by development contributions where works are required because of growth.
Public toilets	This activity relates to the management and maintenance of public toilets.	High: Thriving Communities and Culture, Trusted, Environmental Excellence, Prosperity.	Individuals, particularly those with continence issues (elderly). Tourists and other visitors. Considerable community-wide benefits.	Short-term benefits to users. Long-term benefits through the capital works	Tourists (particularly non-self contained freedom campers). Additional population and growth places pressure to expand services.	High costs to distinct funding as it may reduce willingness to use facilities and therefore result in higher environmental impacts.	General rates 80%. Fees and charges 10%. Grants and subsidies 10%. Given the impracticality of charging individuals and the wider community benefit of providing amenities for residents and visitors to the district the general rate is considered the most appropriate source of funding.

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Walkways and shared pathways	This activity involves providing walkways and shared pathways for people walking or cycling between destinations, including the Coastal Walkway.	High: Thriving Communities and Culture, Environmental Excellence. Medium: Prosperity, Trusted.	Individual users benefit through a safe active commuting/ travelling route. Car commuters benefit through reduced traffic. Wider community benefits through the connections provided, and retaining accessibility to walkways and pathways.	Short-term benefits to users and car commuters. Long-term benefits through provision of walkways.	Users. Dangerous/careless drivers creating an unattractive cycling environment along roads. Additional population and growth places pressure to expand services.	High costs to separate funding by fees and charges as it would limit uptake.	Grants and subsidies 50%. General rates 30%. Targeted rates 20%. A strong and safe commuting network benefits the community as a whole and is a key component of the district's social and economic development. The general rate is the most effective way of funding this activity. Targeted rates have been identified as a further funding source to recognise specific users who place greater pressure on our transport network. Subsidies from central government are acknowledged as a substantial funding source for the activity. Capital expenditure is partly funded by development contributions where works are required because of growth.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Puke Ariki and Community Libraries							
Museum and isite Visitor Information Centre	This activity involves the management, operations and maintenance of Puke Ariki Museum and the district's isite Visitor Information Centre.	High: Thriving Communities and Culture, Prosperity, Trusted.	Individuals who visit, artists who exhibit and surrounding businesses. Schools and community groups. Iwi and hapū. Wide community benefit.	Short-term benefits for visitors and local businesses from economic activity of visitors. Long-term benefits to whole community by having quality cultural institution that contributes to vibrancy.	Museum patrons. Ministry of Education/school groups. Iwi and hapū. Additional population and growth places pressure to expand services.	Low costs to distinct funding with users readily identifiable. User charges for some private hire could deliver benefit, however generally low benefits to distinctly funding activity given broad community benefits of service.	General rates 90%. Fees and charges 10%. The museum and isite provide social and cultural benefits to the individuals that visit. There is also a wider community benefit which includes an ability to encourage education, a social environment and an important source of supplying public information. These community benefits are recognised in the split between fees and charges and the general rate.
Libraries	This activity involves the management, operations and maintenance of Puke Ariki and community libraries and the Taranaki Research Centre.	High: Thriving Communities and Culture, Prosperity, Trusted.	Individual library users, school and early childhood education using the education programmes, community groups.	Short-term benefits for service users. Long-term benefits for well-being outcomes and community connection. Collation of library collection a long-term benefit.	Library users, including elderly or isolated users of the housebound/ mobile library service. Additional population and growth places pressure to expand services.	High social costs to distinct funding related to inequity and barriers to low income users. Limited benefits to distinct funding due to broad community benefits and willingness/ability to pay of library users.	General rates 95%. Fees and charges 5%. The private good component of the library activity is recovered through user charges and fines. High levels of user charging will in many cases restrict accessibility to those who currently benefit the most from the activity. General rates are the appropriate funding source for households as they are easy to administer and recognise the benefits of the libraries. Capital expenditure is partly funded by development contributions where works are required because of growth.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Three Waters							
Stormwater Management	The service collects and disposes of stormwater runoff from urban areas and manages and maintains the stormwater network.	High: Thriving Communities and Culture. Environmental Excellence. Medium: Trusted, Prosperity.	Property owners in areas prone to stormwater flooding receive significant benefit from stormwater services. Urban areas receive benefit. All of community benefits as well from safety and environmental benefits.	Long-term benefits from capital expenditure. Short-term benefits accrue from maintenance, particularly before a large weather event.	None identified. Additional population and growth places pressure to expand services.	Low benefits and high costs for distinct funding beyond a targeted rate for the activity.	General rates 70%. Targeted rates 30%. ***Note that the Council modified the funding through Step 2 for the activity to be funded 50% General Rate and 50% Targeted Rate.*** The service is provided primarily for its environmental benefits to mitigate pollution and erosion effects on waterways. Stormwater services are also provided, to a lesser degree, for public safety (flooding risk from stormwater). The general rate contribution is therefore considered the primary funding source, with targeted rate funding recognising that some communities derive a greater benefit from the activity than others. Capital expenditure is partly funded by development contributions where works are required because of growth.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Wastewater Treatment	This service collects and treats domestic and industrial wastewater, returning clean water to the environment and converting treated sludge into a commercially sold bio fertiliser.	High: Environmental Excellence, Prosperity. Medium: Trusted, Thriving Communities and Culture, Environmental Excellence.	Connected properties have significant benefits. Reticulated areas also have significant benefits. There are benefits to the whole community.	Long-term benefits arising from investments in capital. Short-term benefits from the safe disposal of sewage.	High users, particularly trade waste users. Additional population and growth places pressure to expand services.	High benefits to distinct funding. Low costs.	Targeted rates 95%. General rates 5%. In most cases, it is not practical to measure the quantity of each individual's contribution to the sewage system. Targeted rates are the appropriate funding source for households and businesses as they access the benefit from the wastewater activity. Capital expenditure is partly funded by development contributions where works are required because of growth.
Water Supply	This service treats and distributes water to the community to provide a reliable and sustainable supply of fresh water to households and businesses.	High: Trusted, Thriving Communities and Culture. Environmental Excellence, Prosperity. Medium: Environmental Excellence.	Significant benefits to connected properties and to reticulated areas. Some community benefits as well.	Long-term benefits arising from investments in capital. Short-term benefits from delivery of safe water.	High water users. Additional population and growth places pressure to expand services.	High benefits to distinct funding. Low costs – easily identifiable areas with connections.	Targeted rates 95%. General rates 5%. It is feasible to identify those users who benefit from the provision of a water supply. Targeted rates are the appropriate funding source for households and businesses as they access the benefit from the water supply activity. Capital expenditure is partly funded by development contributions where works are required because of growth.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Transportation							
Transportation	This activity involves enabling the safe movement of people and goods within the district and to other regions on the District's local roading network, and includes Let's Go.	High: Thriving Communities and Culture, Prosperity. Medium: Environmental Excellence, Trusted.	Individual road users, participants and schools in the Let's Go programme. High roading impact businesses, such as forestry haulage/ transport industrial companies.	Short-term benefits from safe and reliable transport network. Long-term benefits from transport network planning.	Road and other transport users. In particular, users with high impact on roading infrastructure, e.g. forestry activity, Port Taranaki. Additional population and growth places pressure to expand services.	There are low costs to distinct funding for this activity through the NZ Transport Waka Kotahi funding assistance rates (FAR) (in turn, funded by petrol tax and road user charges (RUC)). Medium benefits to distinct funding as it is one of Council's largest costs.	Grants and subsidies 50%. General rates 30%. Targeted rates 20%. A strong and safe transport network benefits the community as a whole and is a key component of the district's social and economic development. Users of the roads receive a direct benefit through an integrated road network. The general rate is the most effective way of funding this activity. Targeted rates have been identified as a further funding source to recognise specific users who place greater pressure on our roading network. Subsidies from central government are recognised as a substantial funding source for this activity. Note: NZ Transport Agency Waka Kotahi FAR subsidies are from petrol tax and RUC so represent a user pays contribution. Capital expenditure is partly funded by development contributions where works are required because of growth.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Venues and Events							
Aquatic Centre and district pools	This activity involves the management, operation and maintenance of the Todd Energy Aquatic Centre and local community pools.	High: Thriving Communities and Culture, Prosperity. Medium: Trusted, Environmental Excellence.	Individuals, schools, sporting groups and seniors groups using the centres. Benefits to wider community, including having accessible water safety tuition.	Short-term benefits for users of aquatic centres. Long-term benefits to wider community for health and well-being outcomes.	Individual users and school and sporting groups. In particular professional swimming groups that would otherwise lack training facilities. Additional population and growth places pressure to expand services.	Low financial cost of distinct funding as users identifiable and billable. High social costs of solely distinctly funding as it creates a barrier to access.	General rates 50%. Targeted rates 25%. Fees and charges 25%. **Note that the Council modified the funding through Step 2 for the activity to be funded 100% General Rate.* User charges set at an appropriate level to promote the sustainable use of these facilities. Targeted rates acknowledge the higher level of service for some communities. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit to the community. Capital expenditure is partly funded by development contributions where works are required because of growth.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Community events	This activity involves the organisation and delivery of community events, including the TSB Festival of Lights, Winter TSB Festival of Lights and Waitangi Day celebrations.	High: Thriving Communities and Culture, Prosperity. Medium: Trusted. Environmental Excellence.	Individuals attending programmes/ events, talent/ suppliers. Businesses benefit from large events. Accessibility/ seniors groups benefit from targeted programmes. Significant benefit to whole community.	Short-term benefits for attendees and local businesses. Long-term community benefits of cultural depth and vibrancy. Some long-term benefits for businesses in surety that major events take place.	Participants and attendees.	Medium costs to distinctly funding the activity, some programmes/ events have easily identifiable patrons, others difficult to identify. High costs to establishing entry fees for Festival of Lights given Pukekura Park layout. Limited benefit to distinct funding given broad community benefits of service.	General rates 70%. Targeted rates 10%. Fees and charges 10%. Grants and subsidies 10%. **Note that the Council modified the funding through Step 2 for the activity to be funded 100% General Rate.* General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit from the organisation and delivery of community events. Opportunities to generate revenue from external users where it is reasonable and practical to charge direct customers.
Event venues	This activity relates to owning and operating TSB Stadium, TSB Showplace and TSB Bowl of Brooklands and the operations and maintenance of Yarrow Stadium (owned by Taranaki Regional Council).	High: Thriving Communities and Culture, Prosperity. Medium: Trusted, Environmental Excellence	Event organisers, individuals attending events, businesses, schools and community groups. Community benefits from quality event venues.	Short-term benefits to visitors and local businesses. Long-term benefits to community with venue infrastructure and creating vibrancy.	Visitors/venue attendees, schools and community groups. Additional population and growth places pressure to expand services.	Low cost for distinct funding as users identifiable. Medium benefits to distinct funding as benefits primarily experienced by users. However wider community benefits justify some general rates funding. May be difficult for some Māori groups to meet venue hire costs	Fees and charges 80%. General rates 20%. User fees and charges set at an appropriate level to promote and provide access to a diverse range of events and cultural experiences for residents. General rates are the appropriate funding source for the community as they are easy to administer and it recognises the benefit from the facilities provided.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Waste Management and Minimisation							
Kerbside collection	This activity involves the collection and transport of household recycling and rubbish.	High: Trusted, Environmental Excellence. Medium: Prosperity, Thriving Communities and Culture.	Individuals who access the service benefit most. Whole community benefits from safe and convenient rubbish and recycling collection in urban areas.	Short-term benefits of safe and timely rubbish and recycling collection and amenity that provides. Long-term benefits to community in affordable collection reducing illegal dumping.	Households requiring kerbside collection. Individuals not following recycling or rubbish guidelines require additional resources to manage. Central government legislation mandates requirements in this activity.	Low cost to distinctly funding activity, as properties receiving the service are readily identifiable and billable. High environmental costs for funding recycling separately as it would discourage recycling and add more waste to landfill, but there would be environmental benefits for distinct funding rubbish to discourage waste.	Targeted rates 80%. General rates 10%. Fees and charges 10%. User charges and targeted rates recognise the benefits to people disposing of waste. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit of a safer community.
Landfills	This activity relates to the ongoing management of closed landfills across the district and the Central Landfill.	High: Trusted, Environmental Excellence. Medium: Prosperity, Thriving Communities and Culture.	Significant community benefits through minimising environmental impacts of closed landfills. Properties around, and downstream of, closed landfills may receive some additional benefits. Note, benefit being the absence of negative impacts. No current benefits from the Central Landfill.	Short and long-term benefits through minimising negative environmental impacts such as leachate.	Historic communities.	Limited benefits to separate funding.	General rates 100%. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit of a safer community.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Resource recovery facilities	This activity involves the transfer, resource recovery from, and disposal of, waste. This includes the Resource Recovery Facility (New Plymouth Transfer Station and Material Recovery Facility), the Sorting Depot, rural transfer stations and the new regional organics facility.	High: Trusted, Environmental Excellence. Medium: Prosperity, Thriving Communities and Culture.	Individuals/ households/ businesses and schools. Iwi/hapū for protection of awa and mahinga kai. Strong public health and environmental benefits for whole community.	Mainly short-term benefits. Long-term benefit of planning and lasting public health and environmental benefits.	Individuals who do not recycle or do not sort recycling properly. Illegal dumpers. Businesses that generate high volumes of commercial waste. Additional population and growth places pressure to expand services.	Low cost of distinct funding for commercial waste and high benefits of commercial waste as provides disincentives to producing waste. For recycling, distinct funding is a disincentive as recycling benefits whole community, some level of general rates funding is appropriate.	Fees and charges 65%. General rates 35%. User charges recognise the benefits to people disposing of waste. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit of a safer community.
Transfer stations	Bonny Glen Transfer Station	High: Trusted, Environmental Excellence. Medium: Prosperity, Thriving Communities and Culture.	Individuals/ households/ businesses and schools. Iwi/hapū for protection of awa and mahinga kai. Strong public health and environmental benefits for whole community.	Mainly short-term benefits. Long-term benefit of planning and lasting public health and environmental benefits.	Individuals who do not recycle or do not sort recycling properly. Illegal dumpers. Businesses that generate high volumes of commercial waste. Additional population and growth places pressure to expand services.	Low cost of distinct funding for commercial waste and high benefits as it provides disincentive for producing waste. For recycling, distinct funding is a disincentive as recycling benefits whole community, some level of general rates funding is appropriate.	Fees and charges 90%. General rates 10%. User charges recognise the benefits to people disposing of waste. General rates are the appropriate funding source for households and businesses as they are easy to administer and recognise the benefit of a safer community.

Activity	Description of activity	Community outcomes	Distribution of benefits	Period of benefit	Whose acts create a need	Costs and benefits of funding activity distinctly	Overall rationale for funding (percentages are indicative only)
Waste minimisation	This activity relates to the education/behavioural change programmes provided to community and businesses such as education initiatives, The Junction and Zero Waste Grants.	High: Trusted, Environmental Excellence. Medium: Prosperity, Thriving Communities and Culture.	Individuals/ businesses, early childhood education/schools in education programmes. Commercial sector benefits from service provision. Wider community benefits from reduced waste and appropriate waste management.	Short-term benefits to reduction of waste creation and improved waste management. Long-term benefits of long-term sustained improved waste management.	Individuals/ businesses that take part in education programmes. Central government mandates requirements that create need for this activity.	Low financial costs of distinct funding for this activity as participants easily identifiable, however this creates barrier. Limited benefits to distinct funding given barring charging for service would create.	General rates 70%. Grants and subsidies 20%. Fees and charges 10%. The funding split between general rates and fees and charges is in an attempt to encourage and educate the community about waste minimisation for the wider benefit to the community. Grants and subsidies are received from central government to support the delivery of the programme.