ORDINARY MEETING

of

Council

AGENDA

Time: 2:00 pm

Date: Wednesday, 7 October 2026

Venue: Greater Wellington Regional Council,
34 Chapel Street, Masterton

MEMBERSHIP

Mayor Bex Johnson (Chairperson)

Deputy Mayor Craig Bowyer
Councillor Gary Caffell
Councillor Waireka Collings
Councillor Brent Goodwin
Councillor David Holmes
Councillor Andrea Jackson
Councillor Stella Lennox
Councillor Tim Nelson

RECOMMENDATIONS IN REPORTS ARE NOT TO BE CONSTRUED AS COUNCIL POLICY UNTIL ADOPTED

Values

1. **Public interest:** members will serve the best interests of the people within the Masterton district and discharge their duties conscientiously, to the best of their ability.
2. **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency.
3. **Ethical behaviour**: members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour.
4. **Objectivity:** members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.
5. **Respect for others:** will treat people, including other members, with respect and courtesy, regardless of their ethnicity, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of Council staff.
6. **Duty to uphold the law:** members will comply with all legislative requirements applying to their role, abide by this Code, and act in accordance with the trust placed in them by the public.
7. **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attending meetings and workshops, preparing for meetings, attending civic events, and participating in relevant training seminars.
8. **Leadership:** members will actively promote and support these principles and ensure they are reflected in the way in which MDC operates, including a regular review and assessment of MDC's collective performance.

These values complement, and work in conjunction with, the principles of section 14 of the LGA 2002; the governance principles of section 39 of the LGA 2002; and our MDC governance principles:

Whakamana Tangata	Respecting the mandate of each member, and ensuring the integrity of the committee as a whole by acknowledging the principle of collective responsibility and decision-making.
Manaakitanga	Recognising and embracing the mana of others.
Rangatiratanga	Demonstrating effective leadership with integrity, humility, honesty and transparency.
Whanaungatanga	Building and sustaining effective and efficient relationships.
Kotahitanga	Working collectively.

Order Of Business

1 Conflicts of Interest 5
2 Apologies 5
3 Public Forum 5
4 Items not on the Agenda 5
5 Confirmation of Council Minutes 5
Nil
6 Committee Reports 5
Nil
7 Reports for Decision 6
7.1 Revenue and Financing Policy: adoption of consultation materials 6
8 Reports for Information 100
Nil
9 Public Excluded 101
9.1 Procurement Strategy for Town Hall/ Performance Space 101

The Chairperson will open the meeting with the karakia

Karakia timatanga

Kia tau ngā manaakitanga a te mea ngaro	Let the strength and life force of our ancestors
ki runga ki tēnā, ki tēnā o tātou	Be with each and everyone of us
Kia mahea te hua mākihikihi	Freeing our path from obstruction
kia toi te kupu, toi te mana, toi te aroha, toi te Reo Māori	So that our words spiritual, power, love and language are upheld
kia tūturu, ka whakamaua kia tīna! Tīna!	Permanently fixed established and understood
Hui e, Tāiki e!	Forward together

At the appropriate time, the following karakia will be read to close the meeting

Karakia whakamutunga

Kua mutu ā mātou mahi	Our work has finished
Mō tēnei wā	For the time being
Manaakitia mai mātou katoa	Protect us all
Ō mātou hoa	Our friends
Ō mātou whānau	Our family
Āio ki te Aorangi	Peace to the universe

1 CONFLICTS OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2 APOLOGIES

The Chair invites notice from members of:

- leave of absence for future meetings of Masterton District Council
- apologies, including apologies for lateness and early departure from the meeting where leave of absence has not previously been granted.

3 PUBLIC FORUM

4 ITEMS NOT ON THE AGENDA

The Chairperson will give notice of items not on the agenda as follows:

Matters requiring urgent attention as determined by resolution of the Council

- The reason why the item is not on the agenda; and
- The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor matters relating to the general business of Council

No resolution, decision or recommendation may be made in respect of the item except to refer it to a subsequent meeting of Masterton District Council for further discussion.

5 CONFIRMATION OF COUNCIL MINUTES

Nil

6 COMMITTEE REPORTS

Nil

7 REPORTS FOR DECISION

7.1 REVENUE AND FINANCING POLICY: ADOPTION OF CONSULTATION MATERIALS

File Number:

Author: **Karen Yates, Group Manager Strategy**

Authoriser: **Kym Fell, Chief Executive**

PURPOSE

This report seeks Council's adoption of the draft Revenue and Financing Policy Kaupapa Here Moniwhiwhi me te Ahumoni, Statement of Proposal, and consultation material for public consultation in accordance with sections 82 and 83 of the Local Government Act 2002.

EXECUTIVE SUMMARY

The Revenue and Financing Policy Kaupapa Here Moniwhiwhi me te Ahumoni is a statutory policy required under the Local Government Act 2002 and forms part of Council's financial management framework. The Policy sets out how Council funds its activities and how costs are allocated across the community.

As part of preparation for the 2027-37 Long-Term Plan, the current policy and associated section 101(3) funding needs analysis have been reviewed and changes proposed. The review has been prompted primarily by the transfer of water services to Waitī Waters. Updated population information from Statistics New Zealand has also been considered, along with ensuring the Policy remains compliant with legislative requirements.

Following direction from Council, officers have prepared a draft Revenue and Financing Policy and Statement of Proposal for consultation. The proposed changes do not alter Council service levels, assets, or activities, but instead focus on how costs are allocated between different parts of the community and the rating mechanisms used to recover those costs.

The key proposed changes, agreed by Council in September[1], relate to:

- updating the urban and rural population allocation to reflect current population data (78.3 percent urban, 21.7 percent rural);
- allocating the Roading Storm Damage Fund costs between urban and rural ratepayers based on population (78.3 percent urban / 21.7 percent rural);
- moving Rural Solid Waste activity costs from a Targeted Uniform Charge to a Capital Value-based rate;
- moving the rural share of Parks, Reserves and Cemeteries activities to Capital Value-based rates; and
- changing the allocation of the 30 percent rates-funded share of Animal Control costs from the current population-based allocation (79 percent urban / 21 percent rural) to 90 percent urban and 10 percent rural.

[1] Meeting 16 September 2026, report reference 7.2 Revenue and Financing Policy Review: 2027-37: Funding needs analysis and proposed policy direction

This report seeks Council's approval of the draft Revenue and Financing Policy, Statement of Proposal and supporting consultation material for public consultation.

RECOMMENDATIONS

That the Council:

1. **receives** the report;
2. **approves** the Statement of Proposal (Attachment 1) and draft Revenue and Financing Policy (Attachment 2) for consultation;
3. **agrees** that consultation on the draft Revenue and Financing Policy be undertaken in accordance with sections 82 and 83 of the Local Government Act 2002 from 12 October to 12 November 2026;
4. **notes** the hearing and deliberations will take place on 9 December 2026; and
5. **authorises** the Chief Executive to make any minor editorial, formatting or administrative amendments required to the consultation material prior to publication.

CONTEXT

Section 102 of the Local Government Act 2002 (LGA) requires councils to adopt a Revenue and Financing Policy Kaupapa Here Moniwhiwhi me te Ahumoni (the Policy) that sets out how the Council will fund its operating and capital expenditure. The Policy is a key component of Council's financial management framework and directs how Council will source, fund and deliver Council services and activities.

Funding sources available to Council include rates, fees and charges, borrowing, subsidies, grants, development contributions and other revenue sources. The Policy sets out:

- the funding tools available to Council;
- the factors Council considers when selecting funding sources;
- Council's approach to funding operating and capital expenditure; and
- how the costs of individual activities are allocated between different sectors of the community.

Work Completed Following Council Direction

At its meeting on 16 September 2026, Council considered the findings of the Policy review and agreed a proposed policy direction to inform preparation of the draft policy and consultation material.

Following Council's direction, officers have:

- prepared a draft Policy;
- prepared a Statement of Proposal;
- incorporated Council's preferred funding allocation approach into the draft policy; and
- prepared supporting information outlining the indicative impact of the proposals on different categories of ratepayers (reflected in the Statement of Proposal and Attachment 3: Supporting Information for Consultation).

No substantive changes have been made to the policy directions or LGA section 101(3) funding needs analysis previously considered by Council at workshops and at its meeting on 16 September.

The purpose of this report is to seek approval of the draft Policy and consultation material, and proposed consultation approach to commence engagement with the community.

ANALYSIS AND ADVICE

Draft Revenue and Financing Policy

The draft Policy attached to this report has been prepared in accordance with sections 101, 102 and 103 of the LGA. The draft Policy reflects the outcomes of the review undertaken by officers, relevant legislative requirements, and direction provided by Council through workshops and previous decisions.

The draft Policy retains the overall funding framework currently used by Council while updating funding allocations and rating mechanisms where changes have been identified as necessary or desirable. The review has primarily responded to the transfer of water services to Waitī Waters, updated demographic information, and the need to ensure ongoing compliance with the Local Government (Rating) Act 2002.

In addition to the proposed funding allocation and rating changes, officers have made a number of non-substantive improvements to the Policy. These amendments are intended to improve clarity, transparency and alignment with legislative requirements and current good practice. The key updates include:

- updating the policy to reflect the transfer of water services to Waitī Waters from 1 July 2027;
- strengthening the explanation of how Council applies the section 101(3) funding principles contained in the LGA;
- adding explanatory information on Council's approach to depreciation funding and intergenerational equity;
- including reference to the principles of Te Ture Whenua Māori Act 1993 and the relationship between this policy and Council's rates remission and postponement policies;
- expanding information about the relationship between the Policy and other key financial policies, including the Financial Strategy, Development Contributions Policy, and Rates Remission and Postponement Policies; and
- improving policy structure, definitions and explanatory content to make the policy easier to understand

Consultation Material

Officers have prepared a Statement of Proposal (Attachment 1) that explains:

- why the Policy is being reviewed;
- the legislative and operational drivers for change;
- the key proposals Council is seeking feedback on;
- alternative options considered by Council; and

- the indicative impact of the proposed changes on different property types and groups of ratepayers.

The consultation material is intended to provide sufficient information for members of the public to understand the proposed changes and their likely implications while remaining accessible to a broad audience. Supporting information, including the draft Policy and section 101(3) funding analysis, will also be made available throughout the consultation period.

Key Consultation Proposals

Consultation will seek community feedback on five proposed changes:

Proposal 1: Use updated population data to share costs between urban and rural rating areas: updating the urban and rural population allocation used for population-based funding decisions from 79 percent urban and 21 percent rural to 78.3 percent urban and 21.7 percent rural, reflecting the latest estimated resident population figures from Statistics New Zealand.

Proposal 2: Share Storm Damage Recovery funding using population to share costs: sharing the Roading Storm Damage Fund costs between urban and rural ratepayers based on population (78.3 percent urban / 21.7 percent rural), rather than the current 70 percent rural and 30 percent urban split. This recognises that a resilient and connected transport network provides benefits across the district.

Proposal 3: Change the rating tool to Capital Value (CV) for the rural share of Solid Waste costs: changing the rates-funded component of rural solid waste from a targeted uniform charge to a capital value-based rate, while retaining the existing assessment of who benefits from the activity. The change would improve consistency with the urban funding approach and reduce Council's reliance on uniform charges.

Proposal 4: Change the rating tool to CV for the rural share of Parks, Reserves and Cemeteries: changing the rural share of parks, reserves and cemeteries funding from a targeted uniform charge to a capital value-based rate to improve consistency with the urban funding approach and reduce reliance on uniform charges.

Proposal 5: Better align urban/rural allocation of the rates portion of Animal Control funding with service demand: changing the allocation of the 30 percent rates-funded share of Animal Control costs from a population-based allocation (79% urban and 21% rural) to 90 percent urban and 10 percent rural, reflecting where most complaints, education, enforcement and public safety activities occur.

These proposals do not alter Council services, service levels or strategic direction. They relate solely to the way Council allocates and recovers the costs of existing activities.

Funding of rural roading

As part of this review, Council considered whether changes should be made to the way rural roading costs are allocated, including whether particular land uses, such as forestry, should contribute a greater share of the costs associated with the rural roading network. Council has previously considered this issue and received additional information during the current review process.

While there is a recognised relationship between some land uses and demand on the roading network, Council does not currently consider there is sufficient evidence, agreed methodology, or rating information available to support a fair, robust and defensible land-use-specific funding approach. Further analysis is required to better understand the relationship between land use,

heavy vehicle movements, road wear and the wider community benefits provided by the transport network.

Consistent with Council's discussion on 16 September 2026, no changes to the funding of rural roading are proposed as part of this Policy review. However, Council intends to continue this work as part of the development of the 2027-37 Long-Term Plan. This will provide an opportunity to engage with the community on the issue (if needed), and consider any additional evidence and analysis, and allow Council to revisit the matter before making any future decisions on rural roading funding arrangements.

OPTIONS CONSIDERED

A summary of the options considered is included in the table below.

Option		Advantages	Disadvantages
1	Approve the draft Policy and consultation material for consultation (recommended)	Proposes some redistribution of rates between urban and rural areas that may be considered more equitable by some. Enables Council to meet legislative consultation requirements. Provides the community with an opportunity to give feedback before final decisions are made. Supports completion of the Policy review as part of the 2027-37 Long-Term Plan process. Reflects previous Council direction and workshop discussions. Allows Council to assess community views before adopting a final policy.	Proposes some redistribution of rates between urban and rural areas that may not be considered equitable by all.
2	Do not approve the consultation material and request further work	Provides Council with an opportunity to seek further information before consulting.	Inconsistent with previous Council direction and workshop discussions. Delays the review process. May impact Long-Term Plan timeframes. Creates uncertainty regarding future funding allocations. Delays community

Option		Advantages	Disadvantages
			engagement on the proposals.

RECOMMENDED OPTION

Option 1 is recommended. Officers have completed the review directed by Council and prepared draft consultation material that aligns with legislative requirements, the outcomes of the section 101(3) analysis, and Council's previous direction. Consultation will provide an opportunity for the community to comment on the proposals before Council makes final decisions on the Revenue and Financing Policy.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The Policy is a statutory policy required under sections 101, 102 and 103 of the LGA. The draft Policy has been prepared as part of the 2027-37 Long-Term Plan process and reflects**:**

- Council direction provided through workshops and previous decisions; and
- the requirements of the LGA and Local Government (Rating) Act 2002.

The proposed consultation material provides the community with an opportunity to comment on the proposed funding and rating approaches before Council makes final decisions on the Policy.

Significance, Engagement and Consultation

Officers have assessed the proposed Policy review against the Council's Significance and Engagement Policy and consider the proposals to be of medium significance. The review does not propose changes to service levels, strategic assets, Council's strategic direction, or the overall amount of rates revenue required. Instead, the proposals relate primarily to how the costs of Council activities are allocated between groups of ratepayers and the rating mechanisms used to recover those costs.

While the overall significance of the review is considered medium, several proposals may be of particular interest to urban and rural ratepayers as they may change the distribution of rates between different sectors of the community. Officers therefore consider consultation in accordance with sections 82 and 83 of the LGA to be appropriate.

Financial Considerations

The Policy does not determine how much Council spends on services. Rather, it determines how the costs of Council activities are funded and how those costs are allocated across the community. The proposed changes are expected to result in some redistribution of rates between different property types and between urban and rural ratepayers. Indicative rating impacts are outlined in the supporting consultation material and accompanying rates modelling.

The review also responds to the removal of water services from Council's funding framework and ensures Council's rating structure remains compliant with the Local Government (Rating) Act 2002, including the statutory limitations applying to targeted uniform charges.

Implications for Māori

Council policy must support the principles set in the preamble to the Te Ture Whenua Māori Act 1993. Council supports these principles through considering how the status of Māori freehold land affects the LGA's 101(3) funding principles. There are very few properties in the district that are classified as Māori Freehold Land.

In particular, the distribution of benefits can be different for Māori Freehold land compared to land in general ownership e.g. increased land values can be realised through the sale of general land but not Māori Freehold Land. As every block of Māori Freehold Land is different and requires specific consideration, the Council's approach is to support the principles of the Te Ture Whenua Māori Act 1993 through its policies on Rates Remission and Postponement on Māori Freehold Land to provide for the most appropriate support for the particular circumstances of the block of land, its ownership structure and the aspirations of the owners.

Communications/Engagement Plan

Consultation material has been prepared and is attached to this report. Subject to Council adopting the draft Policy, Statement of Proposal and consultation material for consultation, public consultation will be undertaken between 12 October and 12 November 2026.

Consultation methods are proposed to include:

- online submissions;
- hard-copy submissions;
- publication of supporting information on Council's website (What's Up Whakaoriori);
- opportunities for community engagement and information sharing; and
- a hearing for submitters who wish to speak to their submissions.

The detailed section 101(3) funding activity assessment, and rates models will be available as supporting information. Consultation will focus primarily on those proposals that alter the incidence of rates or change funding responsibilities between groups of ratepayers.

Environmental/Climate Change Impact and Considerations

The proposed consultation material does not create any direct environmental or climate change impacts. The Policy review focuses on how Council activities are funded and how costs are allocated across the community rather than changes to service levels, infrastructure investment or environmental outcomes.

NEXT STEPS

Subject to Council approval:

- public consultation will occur between 12 October and 12 November 2026;
- submissions will be analysed and summarised;
- a hearing and deliberations meeting will be held in December 2026;
- officers will report back to Council on the matters raised through consultation; and
- a final Revenue and Financing Policy will be presented to Council for adoption as part of the 2027-37 Long-Term Plan process.

ATTACHMENTS

1. **Attachment 1: Statement of Proposal Revenue and Financing Policy ⇩**
2. **Attachment 2 Draft Revenue and Financing Policy Kaupapa Here Moniwhiwhi me te Ahumoni ⇩**
3. **Attachment 3: Supporting Information for Consultation ⇩**

Attachment 1

He Arotakenga o te Kaupapa Here Moniwhiwhi me te Ahumoni

Statement of Proposal: Revenue and Financing Policy

Introduction

Our Revenue and Financing Policy is due for review. We are proposing some changes and would like your feedback to ensure the policy reflects the views of the community. **Consultation closes 4pm 12 November 2026.**

The Revenue and Financing Policy sets out how the Council pays for the services it provides and how the ratepayer share of those costs is allocated across the properties in our district.

The Council is proposing changes to how some costs are shared between urban and rural ratepayers and which rating tool is used for some services. These proposals do not change the services the Council delivers or the amount of rates collected.

We want to know whether you think the proposed changes create a fairer way of determining who pays for Council services.

The proposed policy is attached to this Statement of Proposal.

This Statement of Proposal has been prepared in accordance with section 83 of the Local Government Act 2002.

DRAFT

Contents

Introduction 2
Contents 3
What is the Revenue and Financing Policy? 4
Why are we reviewing the Policy? 4
What is not being considered as part of this review? 4
Will my rates change? 4
What is the fairest way to share costs? 5
Which funding tools does Council use to divide up the rates required? 6
Why are changes to the Policy needed? 7
Water services are moving to Waitī Waters 7
The 30 percent legislative cap 7
Updated population information 7
What are we asking you about? 8
Key proposed changes 9
Proposal 1: Use updated population data to share costs between urban and rural rating areas 9
How will this proposal impact rates? 9
Proposal 2: Share Storm Damage Recovery funding using population to share costs 10
How will this proposal impact rates? 10
Proposal 3: Change the rating tool to CV for the rural share of Solid Waste costs 11
Proposal 4: Change the rating tool to CV for the rural share of Parks, Reserves and Cemeteries 12
Proposal 5: Better align urban/rural allocation of the rates portion of Animal Control funding with service demand 13
How will proposals 3, 4 and 5 impact rates? 13
Supporting information 14
Impacts of the proposed changes 15
Examples of overall changes to the policy 16
How you can have your say 17
Hearing 17
What happens next? 17

DRAFT

What is the Revenue and Financing Policy?

The Revenue and Financing Policy (the Policy) sets out how we will:

- fund our activities outlined in Long-Term and Annual Plans, and
- share the costs across the community.

The funding tools we use include fees and charges, roading subsidies, targeted rates and targeted uniform and services charges. We seek external funding where users of a service can be charged and this reduces the overall rates impact.

The is one of a suite of financial policies required by the Local Government Act 2002 that support the Council's financial management framework. How much the Council plans to spend and fund each of its activities is included within the current Long-Term Plan.

Changes to the Policy will apply from the 2027/28 financial year.

Why are we reviewing the Policy?

The Council has reviewed the current Policy as part of preparation for the 2027-37 Long-Term Plan to make sure it reflects current legislation, recent changes to what we do (activities), and good practice.

As the mechanism we use to set rates and user charges, the Policy affects everyone in our community in one way or another.

The scope of the review has been impacted by two key updates:

- The transfer of water services to Waitī Waters Limited (Waitī Waters).
- Updated population estimates from Statistics New Zealand.

What is not being considered as part of this review?

The Policy review does not consider changes to service levels, levels of investment (amount of rates we may collect), or the services it provides. Rather, it relates to how costs are shared between users of services and ratepayers and then between different types of ratepayers. Some changes to the cost sharing are proposed.

Decisions about the services that the Council delivers, service levels, and the amount the Council spends on those services are made through the Annual Plan and Long-Term Plan processes.

The Council is currently developing its 2027-37 Long-Term Plan. Consultation to inform the Plan is scheduled for April 2027. That process will provide opportunities for the community to have a say on what services the Council should provide and the level of investment in those services.

Will my rates change?

Yes, but there are a number of things that will influence the 2027/28 rates.

- New valuations dated 1 September 2026 are due to be received in December 2026 and will be used for the 2027/28 rating year. The new values will influence the amount of rates allocated to your property (up or down depending on your property's value change versus the average change).

- Any increase in Council's budgets will flow into the actual rates required for 2027/28. These budgets will be consulted on through the Long-Term Plan in April 2027.
- In 2027/28 the Council will no longer be including water, wastewater and stormwater services in property rates. The charges for those services will be collected by Waitī Waters.
- The Policy changes (as described in this document).

All figures in this document are based on property values at the time rates were set for 2026/27. These are used for comparative purposes to show the impact of the proposed policy changes. Examples of how the changes will impact average properties and sample properties will help to show what the indicative impact on your rates will be. For this review, we have provided a rates breakdown on sample properties in the Supporting Information.

What is the fairest way to share costs?

There is no single "right" way to divide up the costs of Council services. Different activities provide benefits to different people and communities.

For some services, such as building consents and dog registration, the Council can recover costs directly from the people who use the service. For other activities, such as libraries, parks, community facilities and local roads, the benefits are shared more widely across the community. For some activities, although we can identify the people who use the service, charging for these would be difficult or add additional costs. In these cases, the most appropriate funding source is often rates.

When deciding how services should be funded, the Local Government Act 2002 requires the Council to consider:

- who benefits from the activity
- who contributes to the need for the activity
- how long the benefits are expected to last
- the costs and benefits of different funding options
- the impact of funding decisions on the community.

The Council also considers:

- affordability
- the use of fees and charges
- rates remission and postponement policies
- how costs should be shared between urban and rural communities
- whether rates should be based on property values, fixed charges, or a combination of both.

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Which funding tools does Council use to divide up the rates required?

Council's use of the urban/rural rates allocations mean all rates are targeted – there is no General Rate. After that allocation Council uses the funding tools below to share costs across the district, while complying with legislation.

The most appropriate tool has been selected based on who benefits from a service, who creates the need for it, and how costs can be shared fairly, taking into account a component of 'ability to pay'.

Urban and Rural allocation	Council first decides how activity costs should be shared between urban and rural communities. Depending on the activity, this allocation may be based on population, access to a service, where expenditure occurs, or where residents live that receive the main benefit from the activity.
Capital Values (CV)	Capital Value is the value of the land and any improvements on it, such as buildings, as assessed by Quotable Value (QV). When rates are based on Capital Value, properties with higher values contribute a greater share of the cost.
Land Values (LV)	Land Value is the value of the land only, excluding buildings and other improvements. Council uses Land Value to allocate a proportion of roading costs because it better reflects the productive and economic potential of land, particularly in rural areas.
Targeted Uniform Charges (TUC)	A Targeted Uniform Charge is a fixed amount charged to each separately used portion of a property within a defined group (urban/rural). Every property (or separately used part) in the group pays the same amount regardless of value.
Targeted Services Charges (TSC)	A Targeted Services Charge is a fixed amount charged to properties that receive a particular service. For example, services such as recycling collection.

Why are changes to the Policy needed?

Water services are moving to Waitī Waters

From 1 July 2027 the Council will no longer collect rates to pay for water supply, wastewater treatment, or stormwater.

These activities are transitioning to Waitī Waters, which will be responsible for funding and charging for water services.

Rates received from water activities currently make up around 38 percent of the rates on an urban property. A portion of these rates contribute to corporate overheads, so for the 2026/27 comparison the stranded overheads have been reallocated across remaining Council activities.

In the 2027-37 Long-Term Plan the operating budgets will reflect the costs of delivering the remaining Council services, after the water activities are removed. The development of the Long-Term Plan will ensure fair and appropriate allocation of costs across the activities that remain the Council's responsibility.

The 30 percent legislative cap

Legislation[1] limits the amount of rates that can be collected through targeted uniform charges to 30 percent.

Following the removal of water activities, but using the current policy, the proportion of total rates revenue represented by targeted uniform charges increases to 32.2 percent, which exceeds the legislative limit.

The Council is therefore required to amend its rating policy to ensure compliance with the legislative limit and maintain an appropriate balance between uniform charges and value-based rates.

Updated population information

The Council uses population information to help decide how some costs are shared between urban and rural communities.

Population is used for allocating the cost of activities where the benefits are primarily received by people rather than simply property owners, and where property values are not a good measure of benefit. Examples include libraries, archives, community facilities, governance, and some regulatory services.

Since the current Policy was adopted, Statistics New Zealand has updated its estimated resident population figures. The updated data shows a small increase in the proportion of people living in rural areas of the district.

The Council proposes using the updated population figures when allocating costs between urban and rural communities.

[1] Local Government (Rating) Act 2002

What are we asking you about?

The Council is seeking feedback on five proposed changes on how services are shared.

- Proposal 1: Use updated population data to share costs between urban and rural rating areas.
- Proposal 2: Share Storm Damage Recovery funding using population to share costs.
- Proposal 3: Change the rating tool to CV for the rural share of Solid Waste costs.
- Proposal 4: Change the rating tool to CV for the rural share of Parks, Reserves and Cemeteries.
- Proposal 5: Better align urban/rural allocation of the rates portion of Animal Control funding with service demand.

The Council has also proposed changes to the Policy to:

- make clear our position on when and how we use depreciation;
- recognise the principles of Te Ture Whenua Māori Act 1993[2] ; and
- outline the relationship of this policy to our rates remission policies.

The proposed changes primarily affect how rates are distributed across the District. In general:

- Rural properties are all paying targeted uniform charges, but the proportion is reducing, with more costs shifted to capital value (CV)-based rates.
- Higher-value properties will contribute a larger share of funding as a greater proportion is allocated using the CV methodology.
- Rates for some activities will be allocated more closely to the communities that receive the greatest benefit or generate the greatest demand for the activity.
- The overall reliance on uniform charges will reduce.
- The Council's assessment is that the proposed changes improve the fairness and transparency of the rating system while ensuring compliance with legislative requirements.

An overview of the impacts of the proposed changes on rates can be found attached to this Statement of Proposal.

[2] As required by section 102 (3A) of the Local Government Act 2002

Key proposed changes

Proposal 1: Use updated population data to share costs between urban and rural rating areas

Description of proposal	Reason for proposal
We propose using updated Statistics New Zealand population estimates when sharing costs between urban and rural communities.	The Policy should reflect the best available population information. The updated allocation more accurately reflects where people live within the district and ensures population-based funding allocations remain current.

Current Policy	*Proposed Change*
Population-based allocations use: • Urban: 79% • Rural: 21%	Use updated population estimates: • Urban: 78.3% • Rural: 21.7%

This change moves some $189,000 of costs into the rural rating area, out of urban. The change amounts to moving 0.42 percent of total rates (after Waters have been removed) and an average 1.22 percent increase in rates in the rural area.

How will this proposal impact rates?

The table below gives some examples of the impact on different property types from this proposed change. The table shows the change in rates payable due to the policy change that is proposed, using the 2026/27 rates and current policy as the base year.[3] Rates incidence is shifted from urban to rural properties.

	Urban residential			Commercial (Queen Street shop)	Rural (lifestyle)	Rural (Hill Country)	Forestry
CV	$380,000	$550,000	$760,000	$475,000	$1,180,000	$6,840,000	$2,340,000
Annual Change ($)	-$13	-$16	-$21	-$24	+$45	+$175	+$67
Percentage Change(%)	-0.60%	-0.60%	-0.70%	-0.60%	+1.4%	+0.90%	+0.90%

Alternative option considered: Retain the existing 79 percent urban/21 percent rural allocation

This option was not preferred by Council because it relies on outdated population information. Using current population data provides a more accurate basis for allocating costs between urban and rural communities.

[3] Less waters rates.

Proposal 2: Share Storm Damage Recovery funding using population to share costs	
Description of proposal	**Reason for proposal**
The Council currently collects $500,000 plus GST annually to restore and build the Storm and Flood Damage Fund. This is currently allocated at 70 percent rural, 30 percent urban rates. We propose a change to now share this cost between urban and rural ratepayers based on population (78.3 percent urban and 21.7 percent rural). This recognises that a resilient transport network benefits all ratepayers and communities across the district. This proposal moves some $277,000 of rates from the rural rating area to the urban rating area, being 0.62 percent of total rates.	Historically, the allocation reflected the fact that a significant proportion of storm damage recovery expenditure occurred on rural roads. However, the benefits of maintaining a resilient transport network are shared across the district. A functioning roading network supports: • access to homes • access to schools and health services • emergency response • business activity • tourism/beaches • freight movement Funding storm recovery and resilience on a district-wide basis better reflects the wider benefits that accrue to the whole community of Masterton.

How will this proposal impact rates?

The table below gives some examples of the impact on different property types from this proposed change. The table shows the change in rates payable due to the policy change that is proposed, using the 2026/27 rates and current policy as the base year.[4] Rates incidence is shifted from rural to urban rating area.

	Urban residential			Commercial (Queen Street shop)	Rural lifestyle	Rural (Hill Country)	Forestry
CV	$380,000	$550,000	$760,000	$ 475,000	$1,180,000	$6,840,000	$2,340,000
Annual Change ($)	+$20	+$28	+$23	+$47	-$53	-$383	-$151
Percentage Change(%)	+1.00%	+1.10%	+0.80%	+1.10%	-1.60%	-2.00%	-2.00%

[4] Less waters rates.

Alternative option considered: Retain the current 70 percent rural / 30 percent urban allocation

This option was not preferred by Council because it places a greater proportion of costs on rural ratepayers, despite the benefits of a resilient and connected transport network being experienced across the district.

Proposal 3: Change the rating tool to CV for the rural share of Solid Waste costs	
Description of proposal	**Reason for proposal**
We propose allocating the rural share of solid waste costs using property values, (CV) rather than allocated as part of a fixed (uniform) charge. The quantum of rates allocated in 2026/27 was $231,400 which was 1.5 percent of total rates collected in the rural area.	The proposal does not change the underlying assessment of who benefits from the service. It changes how the costs are distributed. The Council considers that a CV rate: • reduces reliance on targeted uniform charges, bringing Council into alignment with the 30 percent cap for targeted uniform charges • improves consistency with urban funding share of solid waste costs (which uses CV) • better aligns funding contributions with property values rather than charging all properties the same amount, which can contribute to more equitable funding arrangements.

How will this proposal impact rates?

See rates comparison table for Proposals 3, 4 and 5 below.

Alternative option considered: Continue funding the activity through a targeted uniform charge

This option was not preferred by Council because it would continue Council's reliance on targeted uniform charges at a time when the removal of water services results in breaching the legislative 30 percent cap (without changing some other allocation). A CV rate provides a more appropriate and proportionate funding method while maintaining the existing assessment of benefits.

Proposal 4: Change the rating tool to CV for the rural share of Parks, Reserves and Cemeteries	
Description of proposal	**Reason for proposal**
We propose funding the rural share of parks, reserves, and cemeteries through property values (CV) rather than being part of a fixed charge. This would create a more consistent approach to funding these services and reduce reliance on uniform charges. The quantum of rates allocated in 2026/27 was $1,071,000 which was 6.8 percent of total rates collected in the rural area.	The proposal does not change the underlying assessment of who benefits from the service. It changes how the costs are distributed. Council considers this approach: • improves consistency between urban and rural funding methods • reduces reliance on targeted uniform charges to support compliance with the 30 percent legislative cap • provides a more balanced distribution of costs across properties, aligning with the ability to pay principle

How will this proposal impact rates?

See rates comparison table for Proposals 3, 4 and 5 below.

Alternative option considered: Continue funding the rural share through a targeted uniform charge

This option was not preferred by Council because it would continue reliance on targeted uniform charges and maintain an inconsistent funding approach between urban and rural ratepayers. A CV rate provides a more consistent and equitable approach while maintaining the current assessment of benefits.

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Proposal 5: Better align urban/rural allocation of the rates portion of Animal Control funding with service demand	
Description of Proposal	**Reason for proposal**
The Animal Control cost allocation between user pays (70%) and ratepayers (30%) would remain unchanged. We propose changing how the 30 rates-funded share is allocated between urban and rural ratepayers. Currently, the rates-funded share is allocated based on population (79% urban and 21% rural). The proposed allocation would be: • 90% urban • 10% rural This proposal will move some $41,000 of rates from rural rating area to urban rating area, which is 0.3 percent of rural rates.	Service request data shows that most demand for Animal Control occurs in urban areas. This includes: • complaints • education programmes • enforcement activity • public safety responses. The proposed allocation better reflects where demand for the service is generated while recognising that Animal Control continues to provide district-wide public safety benefits.

Alternative option considered: Continue using a population-based allocation

Council considered retaining the current population-based allocation (79% urban / 21% rural).

This option was not preferred by Council because the population split does not reflect the level of demand for Animal Control services. Allocating a greater share of the rates contribution to urban areas better reflects where service requests, complaints, education activities and enforcement activity occur, while continuing to recognise the district-wide benefits of the service by maintaining a contribution from rural ratepayers.

How will proposals 3, 4 and 5 impact rates?

The table below gives some examples of the impact on different property types from this proposed change. The table shows the change in rates payable due to the policy change that is proposed, using the 2026/27 rates and current policy as the base year. Proposals 3 and 4 only impact rural properties and move more rates to be based on CV. This shifts rates from low value to high value properties. Proposal 5 (change in Animal Control rates share) has a low value impact at the per property level.

	Urban residential			**Commercial (Queen Street shop)**	**Rural lifestyle**	**Rural (Hill Country)**	**Forestry**
CV	$380,000	$550,000	$760,000	$475,000	$1,180,000	$6,840,000	$2,340,000
Annual Change ($)	+$5	+$4	+$5	+$5	-$25	+$1,108	+$275
Percentage Change(%)	+0.20%	+0.10%	+0.20%	+0.10%	-0.80%	+5.80%	+3.70%

Funding of Rural Roading

As part of this review, the Council considered whether changes should be made to how rural roading costs are allocated across the district, including whether some land uses, such as forestry, should contribute a greater share of those costs. This reflected concerns about the impact that heavy vehicle movements associated with some activities can have on parts of the rural roading network.

The Council investigated available modelling, local data and rating valuation approaches to assess whether a different funding approach could be justified. This included considering whether a land-use-specific rating approach could appropriately reflect demand on the roading network.

However, the Council concluded that there is not yet sufficient evidence or reliable data to support a fair and defensible land-use-specific rating approach. Key information gaps remain, including understanding the relationship between land use, heavy vehicle movements, road wear and the wider community benefits provided by the transport network.

For this reason, the Council is not proposing any changes to the allocation of the Roading rates as part of this Policy review. The Council intends to continue exploring this issue through the development of the 2027-37 Long-Term Plan and may consider future funding options if additional evidence becomes available.

Supporting information

A range of information is available on the What's Up Whakaoriori website to help you understand the proposed changes to the Policy and the reasons for them.

Supporting information includes:

- The Council reports considered on 16 September 2026 and 7 October 2026, which outline the proposed policy changes and the rationale for those changes.
- The Funding Needs Analysis and Consideration of Appropriate Funding Sources Report, which assesses each Council activity and considers who benefits from the activity, who creates the need for the activity, and the most appropriate sources of funding.
- Information on the financial and rating impacts of the proposed changes, including examples of how funding arrangements may affect different groups of ratepayers.
- The current Revenue and Financing Policy.

This supporting information is intended to assist submitters in understanding the proposal and developing informed feedback.

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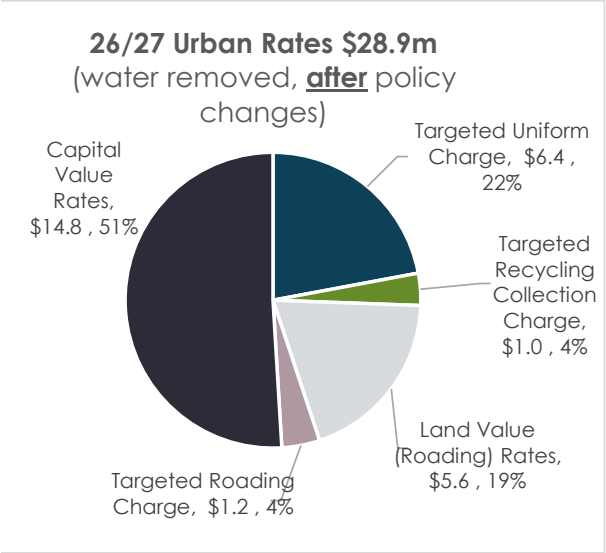
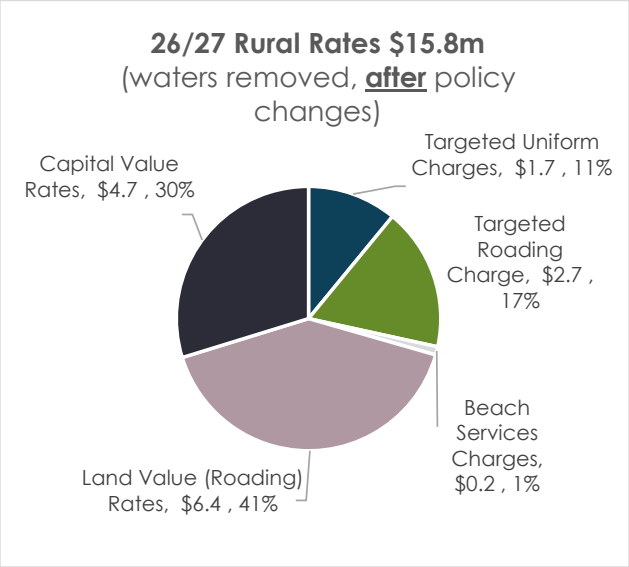
Impacts of the proposed changes

After combining the effects of all the proposed changes, the overall impact is no change to CV rates for urban properties (51 percent), but a nine percent increase for rural properties. For targeted uniform charges there is an eight percent reduction for rural properties and no change for urban properties (22 percent).





Examples of overall changes to the Policy

Below is a summary of property rate movements after combining the effects of all the proposed policy changes. The table shows the change in rates payable due to the policy change that is proposed, using the 2026/27 rates and current policy as the base year.

	Urban residential			Commercial (Queen Street shop)	Rural lifestyle	Rural (Hill Country)	Forestry
CV	**$380,000**	**$550,000**	**$760,000**	**$475,000**	**$1,180,000**	**$6,840,000**	**$2,340,000**
Current Policy rates	$3115	$3910	$4,732	$6,118	$3,139	$18,154	$7,078
Current policy rates (waters removed)	$2,018	$2539	$2972	$4,055	$3,288	$19,026	$7,410
Annual Change ($)	+$12	+$16	+$7	+$27	-$34	+$900	+$191
Percentage Change(%)	+0.60%	+0.60%	+0.30%	+0.70%	-1.00%	+4.70%	+2.60%
Proposed Policy rates	$2,030	$2,555	$2,979	$4,082	$3,322	$19,926	$7,601

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How you can have your say

We welcome your feedback on the Revenue and Financing Policy

Submissions close at 4pm 12 November 2026



Complete our online submission form at: https://whatsup.mstn.govt.nz/



Download a fillable pdf submission form from our website and email to: submissions@mstn.govt.nz.



Pick up a submission form from our library or customer service centre (161 Queen Street, Masterton) or print out our printer-friendly form from the websites above.



Post it to Masterton District Council, Freepost 112477, PO Box 444, Masterton 5840, or drop it off to our customer service centre.



Phone the Policy Team on 06 370 6300 between 9am and 4pm Monday to Friday (excluding public holidays) and tell us what you think.

Hearing

For those wanting to formally present their views, a hearing will be held on **Wednesday 9 December 2026**. You will need to indicate on your submission form that you would like to participate in the hearing.

What happens next?

Following the consultation period, a hearing and deliberations meeting will be held on 9 December 2026. Following the deliberation meeting, the Council will meet to finalise the policy in February 2027.

Proposed Revenue and Financing Policy

To be attached to the final designed version.

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Attachment 2
Kaupapa Here Moniwhiwhi me te Ahumoni

Revenue and Financing Policy



Contents

Purpose 3
Scope 3
Revenue and Financing Framework 3
How we determine funding 4
Funding sources 5
Rating Policy 7
Rating Valuations 9
Review of Policy 9
Definitions 9
Related Documents 9
References 10
Version Control 10
List of Schedules 10
Schedule 1 – Masterton District Council Activity Funding Allocations 11
Schedule 2 Summary of 101 (3) Analysis- Activity Funding Summary Matrix 13
Schedule 3 – Rating Base 18

DRAFT

Policy Reference: MDC003	
First Adopted	The policy was first adopted (as the Funding Policy) following public consultation in 1997. It has been reviewed, refined and revised by the Council every three years since then (apart from in 2021).
Latest Version	X
Adopted by:	Council
Review Date	X

Purpose

This policy outlines the revenue sources used to fund the range of services the Masterton District Council (the Council) provides. It also sets out the factors that Council must consider when determining its funding sources in accordance with section 101(3) of the Local Government Act 2002.

This policy has been developed pursuant to the requirements of sections 101, 102 and 103 of the Local Government Act 2002.

Scope

This policy covers sources of funding for the operating and capital expenditure of the Council. The funding sources include, but are not limited to, external revenue, including roading subsidies, user fees and charges, financial contributions and local authority rating.

The policy outlines where the revenue will come from to pay for services but does not determine the costs of providing each service. Council budgets for the costs of the services it provides in the Long-Term and Annual Plans.

Revenue and Financing Framework

In making this policy, the Council has considered the funding of each activity in accordance with section 101(3) of the Local Government Act 2002. A summary of this analysis is provided in Schedule 2.

Te Ture Whenua Māori Act 1993

The Council recognises the principles set out in the Preamble to Te Ture Whenua Māori Act 1993, including the special relationship between Māori and their land, the importance of retaining Māori land in the hands of its owners, whānau and hapū, and the need to facilitate the occupation, development and utilisation of Māori land.

In developing this policy, the Council has had regard to these principles and recognises the significance of Māori freehold land as a taonga tuku iho (cultural property/ heritage). This approach is supported by the Council's rates remission and postponement policies, which provide mechanisms to reduce rates-related barriers to the retention, occupation, development and utilisation of Māori freehold land.

Related strategies and policies

Council strategies and policies that relate to this Policy include:

- *Financial Strategy:* The Financial Strategy supports prudent financial management and provides transparency about the impacts of funding and expenditure decisions on Council services, rates, debt and investments.
- *Development and Financial Contributions Policy*: The Local Government Act 2002 (section 106) enables Council to require development contributions to help fund growth-related infrastructure and community facilities. The Resource Management Act 1991, and any successor legislation, may also provide for contributions through planning and resource consent processes, subject to applicable legislative and transitional arrangements. These contributions are a

source of funding for Council and may only be applied for the purposes authorised by legislation.

- *Rates Remission and Postponement Policies and Policy on Rates Remissions and Postponements on Māori freehold land:* these policies detail the circumstances under which the Council will consider the remission or postponement of rates on properties.
- *Schedule of Fees and Charges:* The Schedule outlines the fees and charges the Council has set to recover the costs or partial costs of the Council's services, usually where there is some private benefit received.

How we determine funding

The Council determines how each activity should be funded using the framework set out in section 101(3) of the Local Government Act 2002. This requires Council to consider who benefits from an activity, the period over which benefits are received, who contributes to the need for the activity, and the costs and benefits of different funding methods. A summary of this analysis is provided in Schedule 2.

First Step Considerations

The first step requires consideration of the following principles at each activity level:

- the community outcomes to which the activity primarily contributes;
- the distribution of benefits between the community as a whole and individuals or groups (user pays principle);
- the period of time in which benefits are expected to occur (intergenerational equity principle);
- the extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity (exacerbator pays principle); and
- the costs and benefits of funding the activity distinctly.

This process seeks to align the costs of a service with those who benefit from, use, or create the need for that service, while recognising that broader community considerations may justify a different funding approach.

Where services provide a direct benefit to identifiable users, and it is practicable to do so, user charges may be used to recover all or part of the costs from those users.

Where Council incurs costs as a result of the actions or inactions of an individual or group (known as exacerbators), Council considers whether those costs can be recovered from the exacerbator.

Second Step Considerations

A second step is then applied. This involves Council considering the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.

Council completes this step by considering the effect of applying the funding principles identified through the first step and may modify the resulting allocation where necessary to ensure the outcome is fair, practical, lawful, and consistent with the wider interests of the community.

Funding sources

The following sections outline the Council's approach to each funding source.

User Pays

Where a service provides a direct benefit to an individual or group of individuals, user-pays is the preferred initial funding source. This means those who receive or benefit from the service contribute directly towards all or part of its cost through fees and charges.

The Council seeks to maximise the proportion of costs recovered through user fees and charges where this is practical and appropriate. Fees and charges are set to reflect the benefits provided and the costs incurred in delivering the service. Setting lower fees than market rates may be justified where wider benefits can be identified.

Other revenue

The Council seeks to maximise other sources of revenue, including central government funding, subsidies, levies, grants and contributions from external organisations.

Examples include NZ Transport Agency Waka Kotahi roading subsidies, the waste levy, local grant funding, and cost recoveries for services provided to other local authorities and organisations.

Rates

Under this Policy, after user charges and other sources of revenue have been considered, the Council may rely on property rates under the Local Government (Rating) Act 2002 to fund the remaining costs of its activities and services. Rates are particularly important for services that provide a broad community benefit or where it is not practical or equitable to recover costs directly from individual users.

The Council aims to distribute rates as equitably as possible through the use of targeted rates and charges. This includes:

- targeting rates to properties that receive or have access to particular services;
- recognising areas where the costs of providing services are higher; and
- recognising that value-based rates provide a broad indication of ability to pay.

The Council does not use a General Rate. Instead, targeted rates and targeted uniform charges are used to fund the costs of services allocated to urban and rural areas. In addition, targeted service charges are used to fund specific services provided to, or available to, particular properties.

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Funding of Capital Expenditure

The Council's policy, with regard to the funding of capital expenditure, is to:

- Fund roading network renewal expenditure from NZ Transport Agency Waka Kotahi subsidies (expected to be 55 percent on subsidised work from 2027/28) and the balance from annual rates;
- There are exceptions to the above:
    - Bridges, where the Council's share is from depreciation reserves.
    - Non-subsidised asset renewals (e.g. footbridges, street furniture) which are funded from depreciation reserves that are built up from annual rates.
- Fund other replacement assets from depreciation reserve funds to the extent that those funds are available. Where depreciation reserves are insufficient, loan funding may be used
- Fund assets which increase levels of service by borrowing/loans
- Fund assets needed because of growth, from developers, either by the developer providing the infrastructure or by them making financial contributions at the outset of the development.

Depreciation

Managing depreciation ensures we have funds in the future to replace assets when they reach the end of their life. Depreciation is based on an estimate of the average wearing out, consumption, or other loss of value of an asset.

Spreading the replacement cost of a long-life asset over the expected life of that asset means that its current and future users contribute towards its eventual replacement, rather than just those paying rates at the time the asset needs replacing or major renewal.

Council raises cash through rates and charges to pay for current operating expenses which include depreciation. The cash raised for depreciation is invested when not needed or used to purchase replacement assets or repay loans within that activity.

There are assets where Council does not intend to build replacement funds or is not expected to be fully responsible for funding their replacement in the future. It therefore does not set revenue to fund all depreciation on these assets, such as housing for the elderly and rural halls.

Borrowing and Reserves

The Council uses borrowing to fund specific capital projects that result in upgraded levels of service, while depreciation reserves funding is applied to fund asset renewals.

Reserve funds are built up for specific purposes and are used for those purposes. Reserve funds may be used to meet operating costs if the expenditure is consistent with the purpose of the fund.

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Rating Policy

The rating policy is based on the following principles:

- The rates required for each activity are first allocated between urban and rural rating areas based on the distribution of benefits and the location of service delivery.
- Targeted rates are set in the urban and rural areas. No 'General Rate' is applied across all properties in the district.
- For those costs that are charged across the whole district, an effective differential is achieved using the urban/rural allocations.
- Allocation bases include the current population split, the targeted area in which the service is available and (for subsidised roading) the locality of programmed expenditure.

Schedule 3 sets out the Rating Base used. It includes population (urban and rural), property and valuation figures of the Masterton district. These are key to the way the rates required are divided up amongst properties.

Basis for Allocating Costs Between Urban and Rural Rating Areas

As outlined above, the rates required for each service are first allocated between the urban and rural rating areas. Schedule 1 summarises both the urban/rural allocation of costs and the rate types used to fund each activity.

The allocation between urban and rural rating areas is set at 100 percent / 0 percent where the benefits of a service are confined to a particular rating area or to those properties receiving the service.

Services that provide benefits across the district are allocated between urban and rural areas using a population-based criterion, a location-based criterion, or another assessment of where the benefits of the service are received.

The Council's approach is intended to reflect the distribution of benefits received from, and access to, Council services.

Population-based allocation

For services where benefits are primarily related to people rather than property, and where costs are not recovered through user charges, the urban/rural allocation is based on the population ratio set out in Schedule 3.

Urban/Rural Allocations

This section outlines the funding approach for the allocation of costs between urban and rural properties to achieve targeted rates.

- Population 78.3% urban: 21.7% rural: used to allocate those services where there are people-related benefits and all residents have access to and derive benefit from the services.
- Land Value (44:56 urban:rural) and Capital Value (53:47 urban:rural): no district-wide services are currently allocated using district-wide land value or capital value proportions. These ratios are provided for comparison with the allocation methodologies adopted by the Council.

- Subsidised Roading Allocation 30:70 urban:rural: This allocation reflects where subsidised roading expenditure is expected to occur over the next three years. The proportion may be adjusted through future Annual Plans if expenditure differs from that forecast in the Long-term Plan.
- Rural Solid Waste Allocation: 10:90 urban: rural: This allocation applies to the costs of rural transfer stations. It recognises that these services are available principally to rural residents. The targeted rate on beach properties also reduces the share borne by other rural properties.
- Rural Halls Allocation: 5:95 urban: rural: This allocation applies to the costs of rural halls and recognises a small degree of district-wide benefit arising from the provision of these facilities.

Targeted Rates, Uniform and Services Charges

The Council uses targeted rates, targeted uniform charges and targeted service charges to recover the costs of specific services from the properties that receive, benefit from, or have access to those services. This reduces the proportion of rates that would otherwise need to be recovered through land value or capital value-based rates across a wider group of properties.

Although the Council does not levy a Uniform Annual General Charge, the targeted uniform and roading charges operate in a similar way because they are applied on a uniform basis to properties within the relevant rating area.

The Local Government (Rating) Act 2002 limits the total revenue from Uniform Annual General Charges and charges treated as equivalent to 30 percent of total rates revenue. The Council complies with this requirement when setting its rates.

Table 1: Targeted Rates, Uniform and Service Charges		
	Urban	**Rural**
Targeted Rates (differentiated between urban/rural properties based on cost allocations)		
Targeted Land Value (roading) rate	✓	✓
Targeted Capital Value rates	✓	✓
Targeted Uniform Charges (differentiated between urban/rural properties based on cost allocations)		
Targeted Uniform Charge (urban & rural)	✓	✓
Targeted Roading Charge (urban & rural)	✓	✓
Other Targeted Services Charges		
Recycling Collection Charge	✓	✓ *
Beach (Refuse & Recycling) Collections Charge		✓

** Charged in the rural periphery where the Council is prepared to offer the collection service.*

Urban Differential – Non-Residential

Differentials are a multiplier or percentage discount applied to the rates set on targeted properties. They are targeted to reflect differences in the costs of the services provided as well as recognising variations in ability to pay.

The Council has determined that, in general, public services provide more benefits to the urban non-residential sector (i.e. commercial-use properties) than to residential-use properties. The effect of the high percentage of uniform and services charges is recognised as regressive - it reduces the impact on higher valued properties. A differential or multiplier of 2.0 is applied to non-residential properties (U2) on each of the urban targeted rates that use land and capital values.

Rating Valuations

The rating policy results in approximately 70 percent of the rates required being allocated based on property values (land value and capital value). The values are assessed by Quotable Value NZ Limited, and a revaluation process is completed every three years. The revaluation is subject to audit by the Office of the Valuer General. The balance of the rates is allocated via targeted charges.

New rating valuations are applied following each district-wide revaluation undertaken by Quotable Value New Zealand Limited and approved by the Office of the Valuer-General. Changes in property valuations may affect the share of rates paid by individual properties, and the impact will vary depending on the relative change in value compared with other properties in the district.

Review of Policy

This policy will be reviewed every three years as part of the Long-Term Plan process.

Definitions

Capital Values (CV): these are market values at a point in time, provided by Quotable Value (QV). Using CV as the basis to charge means properties with a higher CV (land plus improvements like buildings) pay proportionately more rates than those with a lower CV.

Land Values (LV): The value of land alone based on QV valuations. Land values reflect market pricing at a point in time.

Targeted Service Charges (TSC): the same dollar amount is charged to all properties receiving services such as recycling collection.

Targeted Uniform Charges (TUC): the same dollar amount is charged to each property. The amount varies between urban and rural areas e.g. all urban properties are charged the same TUC, a different TUC is charged on rural properties.

Related Documents

Masterton District Council Long-Term and Annual Plans

- Funding and Financial Policies
- Development and Contributions Policy
- Treasury Management Policy

- Rates Remission Policy
- Rates Postponement Policy
- Rates Remission and Postponement on Māori Freehold Land Policy

References

- Local Government Act 2002
- Local Government (Rating) Act 2002
- Te Ture Whenua Māori Act 1993

Version Control

Version	Date	Summary of Amendments	Approved By
1.0	03/04/2024	Reviewed as part of 2024-34 LTP. Refer to Schedule 5.	Masterton District Council
2.0	2026	Reviewed as part of 2027-37 LTP. Updates to funding / rates allocations and content of the policy to include interrelated policies, Te Ture Whenua Māori Act 1993 considerations, and approach to depreciation.	TBC

List of Schedules

- Schedule 1 – Masterton District Council Activity Funding Allocations
- Schedule 2 – Summary of 101 (3) Analysis- Activity Funding Summary Matrix
- Schedule 3 – Rating Base

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Schedule 1 – Masterton District Council Activity Funding Allocations

Activity	User Pays Allocation		Urban/Rural Allocation		Rating Tools	
	Community	User	Urban	Rural	Urban	Rural
Airport/Hood	40%	60%	78.3%	21.7%	CV	CV
Animal Control	30%	70%	90.0%	10.0%	TUC	TUC
Archive	95%	5%	78.3%	21.7%	TUC	TUC
Arts and Culture	100%	0%	78.3%	21.7%	CV	CV
Building Services	20%	80%	78.3%	21.7%	CV	CV
Cemetries	35%	65%	78.3%	21.7%	CV	CV
Community Development	85%	15%	78.3%	21.7%	TUC	TUC
District Buildings	35%	65%	78.3%	21.7%	CV	CV
Economic Development	100%	0%	78.3%	21.7%	CV	CV
Emergency Management	72%	28%	78.3%	21.7%	CV	CV
Environmental Health	50%	50%	78.3%	21.7%	CV	CV
Environmental Initiatives	100%	0%	78.3%	21.7%	CV	CV
Forestry	40%	60%	78.3%	21.7%	TUC	TUC
Housing for Elderly	10%	63%	78.3%	21.7%	CV	CV
Library	95%	5%	78.3%	21.7%	TUC	TUC
Mawley Park	20%	80%	78.3%	21.7%	CV	CV
Other Property	35%	65%	78.3%	21.7%	CV	CV
Other Rural Water Services[1]	85%	15%	0.0%	100.0%	n/a	CV
Parking Control	0%	100%	n/a	n/a	n/a	n/a
Parks, Reserves, Sportsfields	95%	5%	78.3%	21.7%	CV	CV
Public Toilets	100%	0%	78.3%	21.7%	CV	CV
Recreation Centre	80%	7%	78.3%	21.7%	TUC	TUC

[1] This includes Ōpaki Water Race, rural school water testing and aspects of water services that are not currently transferring to Waitī Waters.

Activity	User Pays Allocation		Urban/Rural Allocation		Rating Tools	
	Community	User	Urban	Rural	Urban	Rural
Recycling and Composting	35%	65%	78.3%	21.7%	CV	CV
Recycling Kerbside Collection	100%	0%	100.0%	0.0%	TUC	n/a
Refuse Collection	30%	70%	100.0%	0.0%	CV	CV
Refuse Disposal	0%	100%	78.3%	21.7%	CV	CV
Resource Consents & Planning	70%	30%	78.3%	21.7%	CV	CV
Roading – storm damage	25%	75%	78.3%	21.7%	30% TUC, 70% LV	30% TUC 70% LV
Roading – subsidised	45%	55%	30.0%	70.0%	30% TUC, 70% LV	30% TUC 70% LV
Roading – non-subsidised rural	100%	0%	0.0%	100.0%	n/a	30% TUC 70% LV
Roading – non-subsidised urban	100%	0%	100.0%	0.0%	100% LV	n/a
Rural Halls	99%	1%	5.0%	95.0%	CV	CV
Rural Refuse	85%	15%	10.0%	90.0%	CV	CV (rural) TUC (beach)
Representation	100%	0%	78.3%	21.7%	CV	CV

Schedule 2 Summary of 101 (3) Analysis- Activity Funding Summary Matrix

The following summary matrix provides a high-level overview of the funding approach adopted for each activity.

Category	Description
Public Good Activity	Primary funding from rates because benefits are widely shared across the community.
Shared Benefit Activity	Combination of user charges and rates because both users and the wider community benefit.
User-Pays Activity	Primary funding from identifiable users through fees and charges.
Exacerbator-Pays Activity	Costs recovered from those creating the need for expenditure where practical.
Intergenerational Asset	Long-life assets where borrowing may be used so future beneficiaries contribute to costs.

Activity	Primary Beneficiaries	Funding Philosophy	Rates Funding	User / Other Revenue	Primary Funding Tool
Airport	Airport users, businesses and wider community	Users pay where identifiable; rates recognise regional connectivity, economic development and emergency service benefits	40%	60%	Fees, leases, targeted rate
Animal Control	Dog owners and community	Dog owners fund most costs; rates recognise wider public safety and nuisance reduction benefits	30%	70%	Registration fees, fines, TUC

Activity	Primary Beneficiaries	Funding Philosophy	Rates Funding	User / Other Revenue	Primary Funding Tool
Archive	Entire community and future generations	Heritage preservation, education and community identity provide significant public benefit	95%	5%	TUC
Arts & Culture	Entire community and facility users	Cultural participation, wellbeing and heritage outcomes justify rates funding	100%	0%	CV rate
Building Services	Property owners and community	Users contribute through consent fees; rates fund wider public safety and regulatory outcomes	20%	80%	Consent fees, CV rate
Cemeteries	Families and wider community	Shared private, heritage and community benefit	35%	65%	Fees and CV rates
Community Development	Entire community	Community wellbeing, participation and social outcomes justify rates funding	85%	15%	TUC
District Buildings	Facility users and Council activities	Internal users contribute; rates fund public service delivery benefits	35%	65%	Internal rentals, CV rate
Economic Development	Businesses and wider community	District-wide economic benefits justify rates funding; business differential recognises additional commercial benefit	100%	0%	CV rate with business differential
Civil Defence & Emergency Management	Entire community	Essential public service providing district-wide resilience and emergency preparedness	72%	28%	CV rate

DRAFT

Activity	Primary Beneficiaries	Funding Philosophy	Rates Funding	User / Other Revenue	Primary Funding Tool
Environmental Services	Businesses, residents and community	User fees applied where practical; rates fund public health, safety and environmental outcomes	50%	50%	Fees, CV rate
Environmental Initiatives	Entire community	Long-term environmental stewardship and sustainability outcomes justify rates funding	100%	0%	CV rate
Forestry	Community	Commercial income offsets costs; residual costs funded from rates	40%	60%	Internal allocation to Roading, TUC
Housing for the Elderly	Tenants and community	Rental income is primary source; rates recognise wider social wellbeing benefits	10%	63%	Rents, rates support, unfunded
Library	Entire community	Educational, cultural and social outcomes justify high levels of rates funding	95%	5%	Grants, TUC
Other Property	Property tenants and community	Commercial returns expected where practical; rates support strategic community assets	35%	65%	Rental income, CV rate
Parking	Motorists, businesses and visitors	Users and offenders fund activity where practical	0%	100%	Parking fees and infringements
Parks & Reserves	Entire community	Strong public-good recreation, wellbeing, environmental and amenity service	95%	5%	CV rates

DRAFT

Activity	Primary Beneficiaries	Funding Philosophy	Rates Funding	User / Other Revenue	Primary Funding Tool
Sports Fields	Sports participants, clubs and community	Club contributions supported; broad recreation and wellbeing benefits justify rates funding	95%	5%	Leases, CV rates
Public Conveniences	Residents and visitors	Charging users is impractical; public health and amenity benefits justify rates funding	100%	0%	CV rates
Recreation Centre	Users and community	Affordability and participation goals justify reduced cost recovery	80%	7%	User fees (to operator), Rates as TUC
Waste Minimisation	Waste generators and community	Pricing supports desired behaviours; rates recognise wider environmental benefits	35%	65%	Fees, waste levy and CV rate
Kerbside Recycling	Service users and community	Direct service funded through targeted charges	100%	0%	Targeted rate
Refuse Collection	Waste generators and community	User pays encouraged through bag charges and waste minimisation incentives	30%	70%	Bag sales and rates
Urban Transfer Station	Waste generators	Users should meet most disposal costs	0%	100%	Gate fees
Resource Management & Planning	Developers and community	Applicants contribute; rates fund wider planning and environmental outcomes	70%	30%	Consent fees and CV rate

DRAFT

Activity	Primary Beneficiaries	Funding Philosophy	Rates Funding	User / Other Revenue	Primary Funding Tool
Roading – Storm Damage	Entire community	District-wide resilience and recovery benefits justify shared funding	24%	76%	Rates (TUC, LV), reserves and external funding
Roading – Subsidised	Residents, businesses and visitors	Shared funding from transport users, Government and ratepayers.	45%	55%	Subsidies, LV rates and roading charge
Roading – Non-Subsidised Rural	Rural properties and road users	Costs allocated primarily to rural beneficiaries	100%	0%	LV rates and roading charge
Roading – Non-Subsidised Urban	Urban properties and road users	Costs allocated primarily to urban beneficiaries	100%	0%	LV rates
Rural Halls	Rural communities	Community service with limited ability to recover costs from users	99%	1%	CV rate
Rural Refuse	Rural communities and users	User charges supplemented by Targeted User Charges for beach properties, and Capital Value-based rates for other rural and urban properties.	85%	15%	Fees and CV rates, TUC
Representation	Entire community	Democratic governance and leadership benefit the entire community	100%	0%	CV rate

DRAFT

Schedule 3 – Rating Base

Listed below are the population, property and valuation figures of the Masterton District. These are key to the way the rates required are divided up amongst properties.

Masterton land area

Area	Hectares (ha)	Percent (%)
Rural	227,704 ha	92%
Urban	1,796 ha	8%
Total	229,500 ha	100%

Masterton Population (2026)

Based on estimated resident population

Area	Number	Percent (%)
Rural	6,280	21.72%
Urban	22,630	78.28%
Total	28,910	100%

Rating Valuation Totals June 2026

Area	$million (2026)	$million (2026)
	Land Value	Capital Value
Rural	$3,262 million	$5,039 million
Urban	$2,550 million	$5,803 million
Total	$5,812 million	$10,843 million

Masterton Separately Ratable Units 2026

Area	Number
Rural	4,105
Urban	10,474
Total	14,579

Attachment 3: Supporting Information for Consultation
Puka Tāpae o te Kaupapa Here Moniwhiwhi me te Ahumoni

Submission Form: Revenue and Financing Policy

This submission allows you to give feedback on the proposed Revenue and Financing Policy. Please read the Statement of Proposal before completing this form. The estimated time to complete is between 5-10 minutes.

Ka ahatia tēnei pepa tāpaetanga? | What do I do with this submission form?

Once completed, you can either:

- Scan or save to PDF and email to submissions@mstn.govt.nz
- Post it to Masterton District Council, Freepost 112477, PO Box 444, Masterton 5840,
- Drop it off to the Customer Service Centre 161 Queen Street, Masterton

You can also complete this submission form online at mstn.govt.nz or over the phone by calling the Policy Team on 06 370 6300 between 9am and 4pm Monday to Friday (excluding public holidays) and tell us what you think.

Please provide your feedback by 12 November 2026. For more information, please refer to the Statement of Proposal, draft policy / bylaw and supporting information available on our website: www.mstn.govt.nz

Submissions close 4pm 12 November 2026

Puka Tāpae o te Kaupapa Here Moniwhiwhi me te Ahumoni

Submission Form: Revenue and Financing Policy

Tauākī Tūmataiti | **Privacy Statement**

All submissions will be made available to the public via the Masterton District Council website. Your name, organisation (if applicable) and feedback will be included in public documents. All other personal details will remain private. If you have extenuating circumstances, please contact us prior to the submission closure date to request that your name be withheld.

The Privacy Act 2020 applies when we collect personal details. Further information is available at www.mstn.govt.nz/privacy-policy

Submission Policy

Information on our submissions process and minimum requirements for submissions content can be found on our website www.mstn.govt.nz/council/policies-and-bylaws/policies

Ō Taipotopito | **Your Details**

First Name (required): _____

Surname (required): _____

Postal address: _____

Phone: _____

Email: _____

Are you giving feedback on behalf of an organisation?

☐ Yes ☐ No

If yes, Organisation Name: _____

Hearings

A hearing will be held on 9 December 2026 for those wanting to present their views. You will have 5-10 minutes to present your feedback to elected members.

Would you like to present your views at the hearing?

If yes, please make sure your contact details in the previous section are correct so we can get in touch.

☐ Yes (in person) ☐ Yes (via Microsoft Teams) ☐ No

About You (Optional)

These questions help us understand which sectors of the community are providing feedback so we can improve our engagement approach. Your responses will not be made public with your submission. Only collated data will be reported to the Council.

What is your age range?

☐ Under 20 ☐ 20-29 ☐ 30-39 ☐ 40-49 ☐ 50-59 ☐ 60-69 ☐ 70+

Which ethnic group do you belong to? Select all that apply to you.

☐ NZ European ☐ Māori ☐ Pacific Peoples ☐ Asian

☐ Other, please state: _____

What is your gender?

☐ Male ☐ Female

☐ Another gender

Do you live with impairments/long-term health conditions or do you identify as tāngata whaikaha/disabled?

☐ Yes ☐ No ☐ Prefer not to answer

Ō Whakaaro | **Your Thoughts**

Pātai | Questions

Key Proposed Changes

These questions ask what you think about the key proposed changes to the Revenue and Financing Policy outlined in the Statement Proposal. Please tick your preferred option for each proposed change. Space is provided for you to provide comment on the options and general feedback can be provided at the end of the form.

Proposal 1: Use updated population data to share costs between urban and rural rating areas

Updating the urban and rural population allocation used for population-based funding decisions from 79 percent urban and 21 percent rural to 78.3 percent urban and 21.7 percent rural, reflecting the latest population estimates from Statistics New Zealand.

- ☐ I support this proposed change
- ☐ I do not support the proposed change; I prefer to keep 79 percent urban and 21 percent rural
- ☐ I do not support this proposed change or keeping the current split *(please provide comments below)*
- ☐ I do not have a view on this or am unsure about this proposal

Do you have any feedback on our change to reflect current population data?

.....
.....
.....

Proposal 2: Share Storm Damage Recovery funding using population to share costs

Allocating the Roading Storm Damage Fund costs using the urban and rural population allocation (78.3 percent urban and 21.7 percent rural) rather than the current 70 percent rural and 30 percent urban split, recognising that a resilient and connected transport network provides benefits across the district.

- ☐ I support this proposed change
- ☐ I do not support the proposed change; I prefer to keep the current 70 percent rural and 30 percent urban split
- ☐ I do not support this proposed change or keeping the current split *(please provide*
- ☐ I do not have a view on this or am unsure about this proposal

comments below)

Comments

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Proposal 3: Change the rating tool to Capital Value (CV) for the rural share of Solid Waste costs

Changing the rural share of solid waste costs from the rural targeted uniform charge to a rural capital value-based rate, while retaining the existing assessment of who benefits from the activity.

☐ I support this proposed change	☐ I do not support the proposed change; I prefer to keep it as part of the rural targeted uniform charge	☐ I do not support this proposed change or keeping it as part of the targeted uniform charge *(please provide comments below)*	☐ I do not have a view on this or am unsure about this proposal

Comments

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Proposal 4: Change the rating tool to CV for the rural share of Parks, Reserves and Cemeteries

Changing the rural share of parks, reserves and cemeteries rates funding from the rural targeted uniform charge to a rural capital value-based rate to improve consistency with the urban funding approach and reduce reliance on uniform charges.

☐ I support this proposed change	☐ I do not support the proposed change; I prefer to keep it as part of the rural targeted uniform charge	☐ I do not support this proposed change or keeping it as part of the rural targeted uniform charge *(please*	☐ I do not have a view on this or am unsure about this proposal

provide comments below)

Comments

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Proposal 5: Better align urban/rural allocation of the rates portion of Animal Control funding with service demand

Revising the allocation of the rates-funded component of animal control costs (which is 30 percent of overall costs) from a population-based allocation to 90 percent urban and 10 percent rural, reflecting where most complaints, education, enforcement and public safety activities occur.

- ☐ I support this proposed change
- ☐ I do not support the proposed change; I prefer to keep it based on population allocation between rural and urban properties
- ☐ I do not support this proposed change or keeping the current population allocation *(please provide comments below)*
- ☐ I do not have a view on this or am unsure about this proposal

Comments

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.....

Is there anything else you would like to note as part of your feedback on the Policy?

[TEXT BOX]

Rates Models

Masterton District Council

REVENUE & FINANCING POLICY - SUB-ACTIVITY FUNDING ANALYSIS SUMMARY

2026/27 (draft without Waters)

*TUC = Targeted Uniform Charge, TSC = Targeted Services Charge

Activity	Operational Funding Analysis Public	Private	Comment re External Revenue	RATES REQ. GST Incl. ($)	Ward Allocation Urban %	Rate Type	Rural %	Rate Type	Basis of urban/rural
Representation	100%	0%	40% internally allocated as overheads	1,529,191	78.3%	CV	21.7%	CV	Population
Community Development	85%	15%	Grants	1,780,041	78.3%	CV	21.7%	CV	Population
Arts & Culture	100%	0%		603,909	78.3%	CV	21.7%	CV	Population
Economic Development	100%	0%		1,748,029	78.3%	CV	21.7%	CV	Population
Parks, Reserves & Sportsfields	95%	5%	Low level of user charges	4,622,642	78.3%	CV	21.7%	CV	Population
Recreation Centre	80%	7%	External revenue to facility manager	2,264,915	78.3%	TUC	21.7%	TUC	Population
Cemeteries	35%	65%	Burial fees & sale of plots	312,763	78.3%	CV	21.7%	CV	Population
District Buildings	35%	65%	Hall hire & internal rents	681,439	78.3%	CV	21.7%	CV	Population
Housing for the Elderly	10%	63%	Rentals set below market	232,695	78.3%	CV	21.7%	CV	Population
Other Property	35%	65%	Rentals	578,954	78.3%	CV	21.7%	CV	Population
Public Conveniences	100%	0%		694,144	78.3%	CV	21.7%	CV	Population
Rural Halls	99%	1%	Hall hire & internal rents	252,905	5%	CV	95%	CV	Location of service
Mawley Park	20%	80%		457,063	78.3%	CV	21.7%	CV	Population
Library	95%	5%	Recoveries	2,699,507	78.3%	TUC	21.7%	TUC	Population
Archives	95%	5%	Recoveries	870,661	78.3%	TUC	21.7%	TUC	Population
Forestry	40%	60%	Internal charge to roading	92,549	78.3%	TUC	21.7%	TUC	Population
Airport	40%	60%		1,223,337	78.3%	CV	21.7%	CV	Population
Resource Mgmt & Planning	70%	30%	Consent fees income	1,869,255	78.3%	CV	21.7%	CV	Population
Environmental Health	50%	50%	Largely internal recoveries	1,600,425	78.3%	CV	21.7%	CV	Population
Building Inspection	20%	80%	Consent fees income	1,566,730	78.3%	CV	21.7%	CV	Population
Animal Control	30%	70%	Dog fees & infringements	438,074	90.0%	TUC	10.0%	TUC	Location of service
Parking Control	0%	100%	Meters & fines, offsets Econ Dev	(12,173)	78.3%	TUC	21.7%	TUC	Population
Emergency Mgmt/CD	72%	28%	Recoveries from CDC & SWDC	607,579	78.3%	CV	21.7%	CV	Population
Other rural water services	85%	15%	Testing rural supplies, Ōpaki Water Race	128,934			100%	CV	Location of service
Transfer Station & solid waste services	0%	100%	User charges (gate fees, bag sales)	248,640	78.3%	CV	21.7%	CV	Population
Recycling kerbside collection	100%	0%	Targeted charge (serviced rating units)	1,019,902	100%	TUC	0%		Location of service
Recycling & composting	35%	65%	Composting & other gate charges	162,828	78.3%	CV	21.7%	CV	Population
Rural refuse	85%	15%	Rural Transfer Station gate fees	435,161	10%	CV	90%	TUC /Targeted beach charge	Location of service
Subsidised Roading	44%	56%	NZTA subsidy 55%, TUC & LV rate	11,934,324	30%	30% TUC/70% LV	70%	30% TUC/70% LV	Location of service
Non-subsidised roading urban	100%	0%	Roading LV rate	2,810,257	100%	100% LV	0%		Location of service
Non-subsidised roading rural	100%	0%	Roading TUC & LV rate	653,260	0%		100%	30% TUC/70% LV	Location of service
Storm/Flood funding	24%	76%	Assumed higher NZTA subsidy	573,259	78.3%	30% TUC/70% LV	21.7%	30% TUC/70% LV	Population
Total				**$ 44,681,202**					

= changed allocation from previous policy

Masterton District Council

REVENUE & FINANCING POLICY - Allocation Table

C Targeted uniform charge (TUC)
CV Capital value rate LV Land value rate

The table below is a summary of how the 2026/27 Rates Requirement is allocated based on the 2026 proposed revisions to the Revenue & Financing Policy and are after removing Waters from Council activities.

2026/27 Draft Allocation (w/o Waters)					URBAN RATES				RURAL RATES				TOTAL
Urban	Rural	Urban	Rural	Notes	Type	Rate Name	Amount		Type	Rate Name	Amount		
78.3%	21.7%	$ 1,197,357	$ 331,834	Representation	CV	Representation & Development	$ 1,197,357		CV	Representation & Development	$ 331,834		$ 1,529,191
78.3%	21.7%	$ 1,393,772	$ 386,269	Community Development 4	CV	Representation & Development	$ 1,393,772		CV	Representation & Development	$ 386,269		$ 1,780,041
78.3%	21.7%	$ 472,861	$ 131,048	Arts & Culture	CV	Representation & Development	$ 472,861		CV	Representation & Development	$ 131,048		$ 603,909
78.3%	21.7%	$ 1,359,176	$ 376,681	Economic Development & Promotion	CV	Representation & Development	$ 1,359,176		CV	Representation & Development	$ 376,681		$ 1,735,857
78.3%	21.7%	$ 3,619,529	$ 1,003,113	Park, Reserves & Sportsfields	CV	Civic Amenities rate	$ 3,619,529		C	TUC	$ 1,003,113		$ 4,622,642
78.3%	21.7%	$ 1,773,429	$ 491,487	Recreation Centre	C	TUC	$ 1,773,429		C	TUC	$ 491,487		$ 2,264,915
78.3%	21.7%	$ 244,894	$ 67,870	Cemeteries	C	Civic Amenities rate	$ 244,894		C	TUC	$ 67,870		$ 312,763
78.3%	21.7%	$ 533,566	$ 147,872	District Buildings	CV	Sundry facilities rate	$ 533,566		CV	Sundry facilities rate	$ 147,872		$ 681,439
78.3%	21.7%	$ 453,321	$ 125,633	Other Property	CV	Sundry facilities rate	$ 453,321		CV	Sundry facilities rate	$ 125,633		$ 578,954
78.3%	21.7%	$ 543,515	$ 150,629	Public Conveniences	CV	Sundry facilities rate	$ 543,515		CV	Sundry facilities rate	$ 150,629		$ 694,144
5.0%	95.0%	$ 12,645	$ 240,259	Rural Halls 5	CV	Sundry facilities rate	$ 12,645		CV	Sundry facilities rate	$ 240,259		$ 252,905
78.3%	21.7%	$ 182,200	$ 50,495	Housing for elderly	CV	Sundry facilities rate	$ 182,200		CV	Sundry facilities rate	$ 50,495		$ 232,695
78.3%	21.7%	$ 357,880	$ 99,183	Mawley Park	CV	Sundry facilities rate	$ 357,880		CV	Sundry facilities rate	$ 99,183		$ 457,063
78.3%	21.7%	$ 2,113,714	$ 585,793	Library	C	TUC	$ 2,113,714		C	TUC	$ 585,793		$ 2,699,507
78.3%	21.7%	$ 681,728	$ 188,933	Archive	C	TUC	$ 681,728		C	TUC	$ 188,933		$ 870,661
78.3%	21.7%	$ 957,873	$ 265,464	Airport	CV	Civic Amenities rate	$ 957,873		CV	Sundry facilities rate	$ 265,464		$ 1,223,337
78.3%	21.7%	$ 1,463,627	$ 405,628	Resource Mgmt. & Planning	CV	Regulatory services rate	$ 1,463,627		CV	Regulatory services rate	$ 405,628		$ 1,869,255
78.3%	21.7%	$ 2,479,882	$ 687,273	Regulatory Services	CV	Regulatory services rate	$ 2,479,882		CV	Regulatory services rate	$ 687,273		$ 3,167,155
90.0%	10.0%	$ 394,267	$ 43,807	Dog Control 7	C	TUC	$ 394,267		C	TUC	$ 43,807		$ 438,074
78.3%	21.7%	$ 475,734	$ 131,845	Civil Defence	CV	Regulatory services rate	$ 475,734		CV	Regulatory services rate	$ 131,845		$ 607,579
0.0%	100.0%	$ -	$ 128,934	Other rural services			$ -		CV	Sundry facilities rate	$ 128,934		$ 128,934
100.0%	0.0%	$ 1,019,902	$ -	Urban kerbside recycling	C	Kerbside recycling charge	$ 1,019,902			Kerbside recycling charge	$ -		$ 1,019,902
78.3%	21.7%	$ 322,180	$ 89,289	Transfer Station & solid waste services	CV	Sundry facilities rate	$ 322,180		CV	Sundry facilities rate	$ 89,289		$ 411,468
10.0%	90.0%	$ 43,516	$ 391,645	Rural Solid Waste 7	CV	Sundry facilities rate	$ 43,516		C	TUC	$ 391,645		$ 435,161
30.0%	70.0%	$ 4,029,159	$ 8,478,424	Roading - Subsidised programme 6	LV/C	Roading rate and Charge	$ 4,029,159		LV/C	Roading rate and Charge	$ 8,478,424		$ 12,507,583
100.0%	0.0%	$ 2,810,257	$ -	Roading - Non Subsidised urban	LV	Roading rate	$ 2,810,257				$ -		$ 2,810,257
0.0%	100.0%	$ -	$ 653,260	Roading - Non Subsidised rural			$ -		LV/C	Roading rate and Charge	$ 653,260		$ 653,260
		$ 29,008,450	$ 15,672,752	Total	**2026/27 Policy Changes, w/o Waters**		**$ 29,008,450**		**2026/27 Policy Changes, w/o Waters**		**$ 15,672,752**		**$ 44,681,202**
					2026/27 Annual Plan (with Waters)		$ 45,158,891		2026/27 Annual Plan (with Waters)		$ 15,704,420		$ 60,863,311
										Rural sewerage changes	$ -		$ -
						Other increases/(decreases)*	$ (16,150,441)			*	$ (31,668)		$ (16,182,109)
						Net Increase (before growth)	$ (16,150,441)			Net Increase (before growth)	$ (31,668)		$ (16,182,109)
													$ -
						% Change (after growth)	***-35.8%***			*% Change (after growth)*	***-0.2%***		***-26.6%***

Notes

1. The above rates include GST at 15% and allowance for rates penalty income and rates remissions.
2. Specific water & sewer scheme rates have been removed, but stranded overheads have been allocated
3. Land and capital value rates in the Urban Rating Area are subject to the differential (see the funding policy).
4. Urban/Rural population split is 78.3/21.7 (as per Stats NZ data).
5. Rural halls charge of 95% to rural area, to charge ward where largest portion of benefit arises.
6. Subsidised roading urban/rural split is based on expected spend in each rating area and includes Storm/Flood funding provision
7. Animal Control & Rural Solid Waste costs charged largely in the area they are incurred.

*Note: reduction is due to removal of rates for water, wastewater and stormwater services. The removal of these rates will take effect from the 2027/28 year, which is when the Revenue & Financing Policy changes will also come into effect. Rural decreases are isolated to beach properties, while reallocated overheads result in some rural rates increasing.

Funding needs analysis and overall impact: Consideration of Appropriate Funding Sources

Contents

Assessment Framework 5
Airport 6
Animal Control (Including Dog Control) 7
Archive 8
Arts & Culture 9
Building Services 10
Cemeteries 11
Community Development 12
District Buildings 13
Economic Development and Promotion (including CBD Amenities) 14
Civil Defence & Emergency Management 15
Environmental Services (including Alcohol Licensing and Bylaw Enforcement) 16
Environmental Initiatives 17
Forestry 18
Housing for the Elderly 19
Library 20
Mawley Park (Holiday Park) 21
Other Property 22
Parking 23
Parks & Reserves 24
Sports Fields 26
Public Conveniences 27
Recreation Centre 28
Waste Minimisation (Recycling and Composting) 29
Recycling Kerbside Collection 30
Refuse Collection 31
Urban Transfer Station (Refuse Disposal) 32
Resource Management and Planning 33
Subsidised Roading 34

Roading – Storm Damage 35
Roading – Subsidised 37
Roading – Non-Subsidised Rural 37
Roading – Non-Subsidised Urban 38
Rural Halls 39
Rural Refuse 40
Representation 41
Overall Impact Assessment (Section 101(3)(b)) 42

Assessment Framework

The assessments below summarise Council's consideration of the matters set out in section 101(3) of the Local Government Act 2002 when determining the appropriate funding sources for each activity. The assessments are intended to provide a high-level record of the factors considered and should be read alongside the Revenue and Financing Policy and Funding Impact Statement.

Section 101(3) Consideration	**Assessment**
Community outcomes supported	What outcomes (aligning with the Long-Term Plan) this activity contributes to.
Distribution of benefits	Public benefit and private benefit.
Period of benefit	Current generation, future generations, or both.
Exacerbator pays	Whether costs can be attributed to those creating demand or costs.
Costs and benefits of funding methods	Why rates, fees, charges, grants, or loans are appropriate.
Operating funding mix	Funding sources and approximate proportions.
Capital funding approach	How renewals, growth and upgrades are funded.
Rating basis (if applicable)	Capital Value, Land Value, Targeted Uniform Charge, Targeted Service Charge, Population (urban/ rural)

Airport

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Thriving and Resilient Economy by providing strategic transport infrastructure that supports business activity, investment, tourism and regional connectivity. The activity also supports Efficient, Safe and Effective Infrastructure through the provision of a regionally significant transport asset and contributes to community resilience through emergency and medical transport services.
Distribution of benefits	Public benefits arise through economic development, regional connectivity, recreational opportunities and Life Flight operations serving the Wairarapa region. Private benefits accrue to airport users, commercial operators, lessees, recreational users and event organisers. Public benefit is assessed at approximately 40% of operating costs.
Period of benefit	Operating expenditure primarily benefits current users and residents. Airport infrastructure, including the runway and lighting assets, provides benefits over a long period and across multiple generations.
Exacerbator pays	Airport users contribute through landing charges, ground leases and event charges, ensuring identifiable users contribute directly to the costs of the activity.
Costs and benefits of funding methods	Users can be readily identified and charged through leases, landing fees and event charges. Rates funding recognises the wider economic, strategic and emergency management benefits that accrue to the district as a whole and cannot be fully attributed to individual users.
Operating funding mix	User charges, lease income and event revenue are targeted to recover approximately 60% of operating costs. The remaining 40% is funded from rates.
Capital funding approach	Renewals are funded from depreciation reserves. Development and growth projects are funded through a combination of loans, capital contributions, lease-generated revenue and external grants.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation.

Animal Control (Including Dog Control)

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports an Engaged and Empowered Community by promoting responsible animal ownership, public safety and community wellbeing. The activity contributes to safe, healthy and welcoming neighbourhoods through education, regulation and enforcement.
Distribution of benefits	Public benefits arise through improved community safety, reduced nuisance from dogs, and protection of public health. Private benefits accrue to dog owners through registration services, education and access to animal control services. Council assesses the public benefit component at approximately 30% of activity costs. The majority of service demand arises within urban areas.
Period of benefit	Benefits are primarily realised by the current community through ongoing regulatory, education and enforcement activities.
Exacerbator pays	Dog owners contribute through registration fees and service charges. Owners who fail to comply with legislative requirements contribute through infringement fines and shelter fees.
Costs and benefits of funding methods	Dog owners can be readily identified and charged for a significant proportion of the costs. Rates funding recognises the wider community benefits arising from responsible dog ownership, public safety and reduced nuisance.
Operating funding mix	Registration fees, pound fees and infringement fines are targeted to recover approximately 70% of costs. The remaining 30% is funded from rates.
Capital funding approach	Capital expenditure relating to animal control facilities and infrastructure is funded in accordance with Council's capital funding policies, including borrowing, reserves and rates where appropriate.
Rating basis	Rates funding is recovered through a Targeted Uniform Charge. Costs are allocated 90% to urban properties and 10% to rural properties, reflecting the distribution of service demand.

Archive

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports Pride in our Identity and Heritage by preserving, protecting and making accessible the district's historical records and collective memory. The activity also supports An Engaged and Empowered Community through education, research and public access to local history.
Distribution of benefits	Benefits are predominantly community-wide. The Archive preserves historical records for current and future generations, supports education and research, and contributes to community identity and understanding of the district's history. Direct benefits accrue to individuals undertaking research, accessing records, photographs and other historical resources.
Period of benefit	Benefits are strongly intergenerational. The Archive preserves records and historical information for future communities while also providing immediate benefits to researchers, schools, community groups and residents.
Exacerbator pays	Not applicable. There is no identifiable individual or group whose actions create the need for expenditure on this activity.
Costs and benefits of funding methods	Council considers the preservation of local history and heritage to be an important community service. While individual users receive direct benefits through research access and staff assistance, significant user charges could discourage access and conflict with the objective of preserving and sharing the district's heritage. Limited charges may be applied where users require specific research assistance, copying or reproduction services. Rates funding recognises the substantial community and intergenerational benefits of maintaining the Archive collection.
Operating funding mix	User charges recover approximately 5% of activity costs. The remaining costs are funded from rates.
Capital funding approach	Capital expenditure relating to archival facilities, preservation systems and collection management is funded through Council's capital funding policies, including reserves, depreciation funding, grants and borrowing where appropriate.
Rating basis	Rates funding is recovered through the Targeted Uniform Charge. Costs are allocated between urban and rural areas using population allocation.

Arts & Culture

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports Pride in our Identity and Heritage by enabling access to arts, culture, history and creative experiences that celebrate and reflect the district's unique identity. The activity also supports An Engaged and Empowered Community through participation, learning, creativity and cultural expression.
Distribution of benefits	Public benefits include a more informed, educated and connected community, enhanced quality of life, and broader cultural enrichment. Private benefits accrue to individuals who attend exhibitions, events and programmes.
Period of benefit	Operating expenditure provides immediate benefits to current residents and visitors. Cultural institutions and community identity also provide longer-term benefits to future generations.
Exacerbator pays	Not applicable. There is no identifiable group whose actions create the need for this activity.
Costs and benefits of funding methods	User charging would create barriers to participation and may reduce access to cultural experiences. As the majority of benefits accrue across the wider community, rates funding is considered appropriate. External funding is also sought to supplement Council funding.
Operating funding mix	Predominantly rates funded. Council's funding arrangements require the Wairarapa Cultural Trust/Aratoi to achieve at least 20% of funding from sources other than Council.
Capital funding approach	Renewals and capital improvements are funded through Council's capital funding policies, including reserves, grants, borrowing and depreciation funding where appropriate.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation.

Building Services

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports Efficient, Safe and Effective Infrastructure by ensuring the district's built environment is safe, resilient and compliant with statutory standards. The activity also supports an Engaged and Empowered Community by protecting the health and safety of residents and building users.
Distribution of benefits	Public benefits arise through the consistent application of building standards, protecting public safety and community wellbeing. Private benefits accrue to property owners, developers and occupiers through the approval and inspection of building work and protection of asset values. Council assesses the public benefit component at up to 20% of activity costs.
Period of benefit	Benefits are realised both immediately through regulatory oversight and over the life of buildings through improved safety, quality and durability.
Exacerbator pays	Applicants undertaking building work contribute through building consent and inspection fees, recognising the demand they place on the service.
Costs and benefits of funding methods	A significant proportion of the activity can be funded by identifiable users through consent fees. However, rates funding is appropriate to recognise the wider public benefit associated with maintaining safe and compliant buildings across the district.
Operating funding mix	Building consent and related fees recover a significant proportion of costs. The balance is funded from rates, with the proportion varying according to levels of building activity.
Capital funding approach	Primarily an operating activity. Any capital expenditure associated with service delivery systems or facilities is funded through Council's capital funding policies, including reserves, borrowing and rates where appropriate.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation.

Cemeteries

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports Pride in our Identity and Heritage by preserving places of historic, cultural and community significance and providing for the respectful remembrance of past generations. The activity also supports an Engaged and Empowered Community through the provision of an essential community service.
Distribution of benefits	Public benefits arise through the availability of cemetery services, heritage preservation, community amenity and open space values. Private benefits accrue to the families and loved ones of those interred. The private benefit component is assessed at approximately 65% of activity costs. The remaining 35% reflects wider community, heritage and amenity benefits.
Period of benefit	Benefits extend over a long period. Burial services provide immediate benefits to families, while maintained cemeteries provide community, heritage and memorial benefits for future generations.
Exacerbator pays	Users contribute through burial fees and plot purchase charges, reflecting the direct benefit received from cemetery services.
Costs and benefits of funding methods	Burial and plot fees provide a practical means of recovering costs from identifiable users. Rates funding is appropriate for the ongoing maintenance of historic and existing cemetery areas and for the wider public amenity and heritage benefits.
Operating funding mix	Burial fees and plot sales contribute toward operating costs and long-term maintenance obligations. The community benefit component is funded from rates.
Capital funding approach	Cemetery extensions are funded from the lawn cemetery reserve fund. Service level improvements may be funded through a combination of reserves, rates and borrowing. Renewals are supported through depreciation funding.
Rating basis	The rates-funded component is recovered through Capital Value-based rates in both urban and rural areas. Costs are allocated between urban and rural areas using the population allocation. While the benefits of cemetery services are shared across the community, Council considers a Capital Value-based rate provides a fairer distribution of costs and improves consistency

	with the funding approach adopted for Parks & Reserves and other district-wide amenity activities.

Community Development

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports an Engaged and Empowered Community by strengthening community capacity, encouraging participation, supporting local initiatives and fostering social connection. The activity also contributes to Pride in our Identity and Heritage where programmes promote local identity, culture and community connection.
Distribution of benefits	Benefits are predominantly community-wide, with programmes and initiatives intended to improve social, cultural and economic wellbeing across the district. While specific groups or organisations may receive direct support, the wider community benefits from stronger and more resilient communities.
Period of benefit	Benefits are realised both in the short term through programme delivery and over the longer term through stronger community capacity, participation and wellbeing.
Exacerbator pays	Not applicable. There is no identifiable group whose actions create the need for the activity or who can reasonably be charged for the benefits received.
Costs and benefits of funding methods	User charges are not considered practical as the benefits are largely collective and community-wide. Rates funding enables equitable access to community development initiatives and supports Council's broader wellbeing objectives. Council also seeks external funding where available to supplement ratepayer funding.
Operating funding mix	External funding and grants are used where available. At least 85% of activity costs are expected to be funded from rates.
Capital funding approach	As the activity is primarily operational in nature, capital expenditure is limited. One-off projects or community grants may be supported through reserves where appropriate.
Rating basis	Costs are recovered through a Targeted Uniform Charge, reflecting the district-wide benefits of the activity and the view that all properties benefit broadly equally from a strong and

	connected community. Costs are allocated between urban and rural using the population allocation.

District Buildings

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports Efficient, Safe and Effective Infrastructure through the provision and stewardship of Council-owned facilities that support service delivery and community access. The activity also supports an Engaged and Empowered Community by providing office accommodation for Council staff (Waiata House) and public-facing customer services spaces and meeting rooms (161 Queen Street). A future Town hall will be included under this activity.
Distribution of benefits	Private benefits accrue to organisations and individuals using Council facilities and office accommodation. Public benefits arise because Council-owned buildings enable the delivery of local government services and provide accommodation for activities that support the wider community.
Period of benefit	Operational benefits are realised immediately through the accommodation of Council services and facility users. Building assets provide benefits over multiple generations and require long-term stewardship and investment.
Exacerbator pays	Users contribute through venue hire fees where applicable and Council activities are charged an internal market rental to recognise their use of office accommodation.
Costs and benefits of funding methods	Internal rental charges allocate costs to the activities occupying Council-owned office space, including accommodation such as Waiata House and the Queen Street building. Some external lease income is earned from the Queen Street building. Rates funding recognises that a portion of costs relate to the provision of facilities that support the delivery of services for the wider community. A new Town hall will require a funding policy to target the recover of costs from hirers.
Operating funding mix	Internal rental recoveries currently fund approximately 55% of costs, with Council seeking to increase this to around 65%. The remaining costs are funded from rates. Venue hire revenue currently contributes a minimal proportion of total costs.

Capital funding approach	Renewals are funded from depreciation reserves. Upgrades and improvements to public facilities and office accommodation are funded through borrowing. Significant redevelopment projects, including replacement civic facilities, may also be funded through loans.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation.

Economic Development and Promotion (including CBD Amenities)

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Thriving and Resilient Economy by encouraging business growth, investment, innovation, tourism and employment opportunities. The activity also contributes to an Engaged and Empowered Community by supporting a vibrant district centre and community events.
Distribution of benefits	Public benefits arise through a stronger local economy, increased employment opportunities, enhanced district attractiveness and community prosperity. Private benefits accrue to businesses, tourism operators, event organisers and property owners that benefit from increased economic activity and visitor spending. CBD amenities also provide community safety and amenity benefits through services such as CCTV and lighting.
Period of benefit	Benefits are realised both immediately and over the long term through sustained economic growth, investment and district development.
Exacerbator pays	Not generally applicable. While businesses and property owners may receive proportionately greater benefits, the activity is intended to support district-wide economic outcomes rather than address costs generated by specific groups.
Costs and benefits of funding methods	Individual beneficiaries cannot readily be identified or charged in proportion to the benefits received. Rates funding is therefore considered the most practical funding method. A

	commercial differential is applied to recognise the additional indirect benefits that accrue to business properties.
Operating funding mix	Predominantly rates funded, supplemented by external contributions and partnerships where available.
Capital funding approach	Renewals are funded from depreciation reserves. Asset extensions and improvements may be funded through a combination of reserves, external funding and borrowing where appropriate.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation.

Civil Defence & Emergency Management

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports an Engaged and Empowered Community and Efficient, Safe and Effective Infrastructure by enhancing preparedness, response and recovery capability for natural hazards and emergency events, helping build a resilient and safe district.
Distribution of benefits	Benefits accrue to the entire community through risk reduction, readiness planning, emergency response capability and recovery coordination. While some groups may face higher levels of vulnerability, the activity provides district-wide public benefits.
Period of benefit	Benefits are both immediate and long term. Preparedness activities reduce future risks while response and recovery capabilities protect current and future communities.
Exacerbator pays	Not applicable. The need for emergency management services arises from community-wide exposure to natural and other hazards rather than the actions of identifiable individuals or groups.
Costs and benefits of funding methods	User charging is not practical because the benefits are widespread and emergency response capability must be available to all residents. Rates funding is considered the most equitable and efficient means of funding the activity. Cost sharing with neighbouring councils offsets a portion of costs.

Operating funding mix	Shared service income contributes approximately 28% of activity costs, with the balance funded from rates.
Capital funding approach	Emergency management facilities, technology and equipment are funded through Council's capital funding policies, including reserves, borrowing and rates where appropriate.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation.

Environmental Services (including Alcohol Licensing and Bylaw Enforcement)

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Sustainable and Healthy Environment through environmental health, food safety, licensing and regulatory services that protect people and the environment. The activity also supports an Engaged and Empowered Community through the maintenance of public health, safety and amenity standards.
Distribution of benefits	Public benefits arise through food safety monitoring, liquor licensing, bylaw enforcement, noise control, nuisance management and protection of public health and safety. Private benefits accrue to regulated businesses, property owners and individuals who benefit from compliance services or enforcement action affecting neighbouring properties.
Period of benefit	Benefits are primarily current, arising through ongoing monitoring, compliance and enforcement activities. Some benefits extend into the future through improved public health and environmental outcomes.
Exacerbator pays	Where practical, individuals responsible for non-compliance contribute to costs through infringement fees, recovery of remediation costs and other enforcement mechanisms. Examples include abandoned vehicles and nuisance-related enforcement actions.
Costs and benefits of funding methods	User charges and licence fees are applied where identifiable beneficiaries or regulated parties can be charged. However, many activities provide broader public health and safety

	benefits that cannot reasonably be attributed to individual users, making rates funding appropriate.
Operating funding mix	Regulatory fees, licensing charges, internal recoveries and enforcement-related income contribute toward costs. Council's target is for approximately 50% of costs to be funded from rates, recognising the significant public benefit component.
Capital funding approach	Primarily an operational activity. Capital expenditure related to regulatory systems, equipment or facilities is funded through Council's capital funding policies where required.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation.

Environmental Initiatives

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Sustainable and Healthy Environment by promoting environmental stewardship, resource conservation, climate resilience and sustainable practices that contribute to the long-term environmental resilience of the district.
Distribution of benefits	Benefits are predominantly community-wide and include improved environmental quality, water conservation, air quality improvements, environmental education and climate change initiatives. While some individuals or organisations may benefit directly from specific programmes, the primary benefits accrue to the district as a whole.
Period of benefit	Benefits are realised both now and into the future. Many initiatives are intended to improve long-term environmental outcomes and resilience for future generations.
Exacerbator pays	Not generally applicable. The activity focuses on promoting positive environmental outcomes rather than addressing costs attributable to identifiable individuals or groups.
Costs and benefits of funding methods	User charges are not practical as benefits are broadly shared across the community and often accrue over the long term. Rates funding is considered the most equitable means of supporting environmental outcomes that benefit all residents.

Operating funding mix	Funded primarily from rates.
Capital funding approach	Capital projects associated with environmental initiatives are funded through Council's capital funding policies, including grants, reserves, borrowing and rates where appropriate.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation to reflect district-wide benefits.

Forestry

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Thriving and Resilient Economy through the sustainable management of forestry assets and the generation of returns that contribute to community outcomes. The activity also supports a Sustainable and Healthy Environment through the responsible stewardship of Council-owned land resources.
Distribution of benefits	Public benefits arise through the generation of income that can reduce the net cost of Council activities and contribute to community assets. There are limited direct private benefits beyond those associated with forestry operations and contracting services.
Period of benefit	Forestry activities provide long-term benefits over multiple harvest cycles. Revenue from forestry can support both current and future ratepayers.
Exacerbator pays	Not generally applicable. Costs associated with roadside forestry management are allocated directly to the rural roading activity where those costs arise.
Costs and benefits of funding methods	Forestry revenue is used to offset activity costs where available. Residual costs are funded through rates, recognising that the benefits of financial returns accrue across the district.
Operating funding mix	Forestry income contributes directly toward activity costs. Any residual costs are funded from rates.

Capital funding approach	Net proceeds from forestry harvests are transferred to reserve funds to support future forestry activities and other long-term community purposes.
Rating basis	Residual costs are recovered through the Targeted Uniform Charge. Costs are allocated between urban and rural areas using the population allocation.

Housing for the Elderly

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports an Engaged and Empowered Community by providing affordable housing options that enable older residents to remain independent, connected and supported within the community. The activity contributes to social wellbeing and helps meet the housing needs of some of the district's more vulnerable residents.
Distribution of benefits	Direct benefits accrue to tenants who receive affordable accommodation. Wider community benefits arise through improved social outcomes and housing support for older residents with limited assets and income.
Period of benefit	Benefits are realised immediately through the provision of housing and continue over the long term through the availability of affordable accommodation for future residents.
Exacerbator pays	Not applicable. There is no identifiable group creating the need for expenditure. The activity is provided primarily to achieve social wellbeing outcomes.
Costs and benefits of funding methods	Rental income provides a practical means of recovering costs from identifiable beneficiaries. However, Council recognises a wider community benefit from supporting affordable housing for older residents and has therefore determined that a limited rates contribution is appropriate to support social wellbeing outcomes and housing affordability. Historically, rents have been maintained at affordable levels, resulting in some costs not being fully recovered through user charges alone.
Operating funding mix	Rental income is the primary funding source. Council has determined that up to 10% of operating costs may be funded from rates to recognise the public benefit component.

Capital funding approach	Capital renewals and major refurbishment are funded from depreciation reserves. If significant redevelopment or replacement is undertaken, funding would likely be sourced from a combination of borrowing and government subsidies.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation.

Library

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports an Engaged and Empowered Community by providing access to information, learning opportunities, community spaces and digital resources that promote literacy, lifelong learning and social inclusion. The activity also supports Pride in our Identity and Heritage through local history collections and the preservation and sharing of community knowledge.
Distribution of benefits	Direct benefits accrue to library users through access to books, digital resources, information services, programmes and community spaces. Wider public benefits arise through improved literacy, education, digital inclusion, access to information and lifelong learning opportunities. Libraries also function as community hubs that support social connection, inclusion and community wellbeing. The presence of library services contributes to the attractiveness and vitality of the district and enhances quality of life for residents, including those who may not regularly use the service but value its availability.
Period of benefit	Benefits are realised both immediately and over the long term through improved literacy, educational achievement, social outcomes and community resilience. Library facilities, collections and community knowledge resources provide enduring benefits across generations.
Exacerbator pays	Not applicable. There is no identifiable group whose actions create the need for expenditure on library services.
Costs and benefits of funding methods	While users can be identified, Council considers that significant user charges for core library services would create barriers to access and may discourage participation,

	particularly for lower-income households and those who may benefit most from library services. The community receives substantial social, educational and cultural benefits from widespread access to library services. User charges are therefore generally limited to optional or supplementary services and do not form the primary funding source.
Operating funding mix	User charges, grants and other recoveries contribute approximately 5% of operating costs. The remaining 95% is funded from rates.
Capital funding approach	Asset renewals and improvements are funded through Council's capital funding policies, including depreciation funding, borrowing and grants where appropriate.
Rating basis	Rates funding is recovered through the Targeted Uniform Charge. Costs are allocated between urban and rural areas using the population allocation, reflecting district-wide access and benefit.

Mawley Park (Holiday Park)

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Thriving and Resilient Economy by providing visitor accommodation that supports tourism, events and economic activity within the district. The activity also supports an Engaged and Empowered Community by providing accommodation for participants and visitors attending community, sporting and cultural events.
Distribution of benefits	The primary benefit accrues to visitors, campers and accommodation users through access to holiday park facilities. Wider community benefits arise through increased visitor spending, support for regional events, enhanced tourism capability and the contribution the facility makes to Masterton's recreation precinct and visitor experience.
Period of benefit	Benefits are realised immediately through accommodation services and over the longer term through the contribution the facility makes to tourism, event hosting capability and district attractiveness.

Exacerbator pays	Users contribute directly through accommodation charges, site fees and facility charges. The costs of providing the service are largely borne by those using the facility.
Costs and benefits of funding methods	Users can be readily identified and charged for the services provided, making user charges the preferred funding mechanism. Rates funding may be appropriate where Council seeks to retain the facility for broader community, economic development or tourism objectives, or where capital investment is required to maintain strategic visitor infrastructure.
Operating funding mix	Accommodation charges, camping fees and other user revenue are expected to recover the majority of operating costs. Any residual costs may be funded through rates where Council determines there is a wider public benefit.
Capital funding approach	Renewals are funded from depreciation and operating surpluses where available. Major upgrades, redevelopment or strategic investments may be funded through reserves, borrowing, grants or rates funding where a wider community benefit is identified.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation.

Other Property

Section 101(3) Consideration	**Assessment**
Community outcomes supported	Supports Efficient, Safe and Effective Infrastructure through the stewardship and management of Council-owned property assets that support service delivery and strategic objectives. The activity also supports a Thriving and Resilient Economy through prudent asset management and the generation of rental income where appropriate.
Distribution of benefits	Direct benefits accrue to tenants and users of Council-owned properties. Wider community benefits arise where properties support Council services, strategic objectives, community facilities or economic development outcomes.

Period of benefit	Benefits are realised both currently through occupation and service delivery, and over the longer term through the strategic value and ongoing use of Council-owned assets.
Exacerbator pays	Not generally applicable. Costs are primarily recovered from users through rental income where practical.
Costs and benefits of funding methods	Council seeks to achieve market rental returns wherever practicable. Rental income provides a direct means of charging identifiable beneficiaries. Rates funding may be required where rental income does not fully recover ownership costs or where wider community benefits justify retention of the asset.
Operating funding mix	Rental income currently recovers approximately 65% of activity costs. The balance is funded from rates.
Capital funding approach	Asset purchases are funded from general capital reserves. Asset renewals, improvements and replacement are funded through reserves, depreciation funding, borrowing and other capital funding sources as appropriate.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation.

Parking

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Thriving and Resilient Economy by facilitating access to businesses, services and commercial areas. The activity also supports Efficient, Safe and Effective Infrastructure through the management of parking resources, safety, accessibility and transport network efficiency.
Distribution of benefits	Public benefits arise through efficient turnover of parking spaces, improved accessibility, safety, convenience and support for economic activity. Private benefits accrue to motorists, retailers, businesses and visitors who utilise parking facilities.
Period of benefit	Benefits are primarily current and relate to the ongoing operation of the parking network and town centre accessibility.

Exacerbator pays	Users contribute through parking charges. Those who fail to comply with parking restrictions contribute through infringement fees, recognising the costs associated with parking enforcement.
Costs and benefits of funding methods	Parking users and offenders can be readily identified and charged. User charges and infringements are therefore the preferred funding mechanisms. Any rates funding recognises the wider community and economic benefits arising from effective parking management.
Operating funding mix	Parking meter fees and infringement revenue are expected to recover the majority of activity costs. Rates funding is only required where revenue is insufficient to meet costs.
Capital funding approach	Parking infrastructure renewals and improvements are funded through Council's capital funding policies, including depreciation funding, reserves and borrowing where appropriate.
Rating basis	This activity is funded 100% by user pays. No rating component is part of this activity.

Parks & Reserves

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports an Engaged and Empowered Community by providing open spaces, recreational opportunities and places for community connection. The activity also supports A Sustainable and Healthy Environment through the protection and enhancement of green spaces and environmental amenity and contributes to Pride in our Identity and Heritage through the stewardship of valued public places and landscapes.
Distribution of benefits	Benefits are predominantly community-wide. Parks and reserves provide residents and visitors with access to open space for recreation, leisure and community activities, contributing to physical and mental wellbeing. They enhance environmental amenity, provide focal points for communities, strengthen community identity and pride, and contribute to the attractiveness of the district as a place to live and visit. Direct benefits accrue to users and to organisations that lease

	or occupy park facilities, however the primary benefits are shared broadly across the community.
Period of benefit	Parks and reserves provide both immediate and intergenerational benefits. The recreational, environmental, cultural and amenity values created by these assets are expected to benefit current and future residents, supporting Council's long-term commitment to maintaining and enhancing these spaces.
Exacerbator pays	Not generally applicable. Users cannot readily be identified or excluded from most parks and reserves. However, organisations receiving exclusive use of facilities through leases or occupancy arrangements contribute through lease payments and charges where appropriate.
Costs and benefits of funding methods	Council considers rates funding to be the most practical and equitable funding method because the benefits are widely shared across the community and unrestricted public access is a key objective. While some facilities are used by identifiable groups, excessive user charges could discourage participation in recreation and community activities. Limited lease and occupancy income is therefore collected from exclusive users, with the majority of costs funded through rates to recognise the broader public benefits.
Operating funding mix	Approximately 95% of activity costs are funded from rates, with a small proportion recovered through lease and other income.
Capital funding approach	Renewals and new assets are funded through a combination of developer contributions, depreciation reserves and borrowing.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation. Council considers a Capital Value-based rate provides a fairer distribution of costs and improves consistency with the funding approach adopted for other district-wide amenity activities.

Sports Fields

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports an Engaged and Empowered Community by providing opportunities for recreation, physical activity, community participation and organised sport. The activity also contributes to community wellbeing, social connection and healthy lifestyles.
Distribution of benefits	Benefits are predominantly community-wide. Sports fields provide opportunities for active recreation, physical wellbeing and community engagement. Direct benefits accrue to sports clubs, participants and sporting organisations that use the facilities for organised activities. The wider community benefits through improved health outcomes, social cohesion and opportunities for participation in sport and recreation.
Period of benefit	Sports fields provide both immediate and intergenerational benefits. Ongoing access to quality sporting facilities contributes to long-term community wellbeing and supports future generations to participate in recreation and organised sport.
Exacerbator pays	Not generally applicable. However, sports clubs and organised user groups contribute through hire charges that reflect a portion of the additional maintenance costs associated with their use of the facilities.
Costs and benefits of funding methods	While identifiable user groups receive a direct benefit, the wider community also benefits from increased participation in sport and recreation. Council seeks contributions from sports clubs where practical, while recognising that excessive charges may discourage participation and undermine community wellbeing objectives. Rates funding recognises the substantial public benefit generated by the activity.
Operating funding mix	User charges currently recover approximately 5% of operating costs. The balance is funded from rates. Council's policy is generally to recover approximately 50% of the marginal maintenance costs attributable to a particular sporting code where practical.
Capital funding approach	Renewals and upgrades are funded through Council's capital funding policies, including depreciation funding, reserves, developer contributions and borrowing where appropriate.

Rating basis	Rates funding is recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation. Council considers a Capital Value-based rate provides a fairer distribution of costs and improves consistency with the funding approach adopted for Parks & Reserves and other district-wide amenity activities.

Public Conveniences

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports an Engaged and Empowered Community by providing essential public facilities that contribute to health, accessibility, comfort and community wellbeing. The activity also supports A Thriving and Resilient Economy by providing facilities that enhance the experience of residents, visitors and tourists throughout the district.
Distribution of benefits	Benefits are predominantly community-wide. Public conveniences support public health, hygiene, accessibility and amenity. They provide benefits to residents, visitors, shoppers, facility users and businesses, particularly in commercial areas and visitor destinations.
Period of benefit	Benefits are primarily current through daily use of the facilities, while the assets themselves continue to provide long-term community benefits over many years.
Exacerbator pays	Not applicable. While individual users can be identified in theory, practical mechanisms for charging users are not considered efficient or cost-effective.
Costs and benefits of funding methods	User charging is not considered practical due to collection costs, access considerations and the public health objectives of the activity. Rates funding is therefore considered the most efficient and equitable funding mechanism given the broad community and visitor benefits provided.
Operating funding mix	Operating costs are funded entirely from rates.
Capital funding approach	Renewals are funded from depreciation reserves. New facilities and significant upgrades are funded through borrowing and other capital funding sources where appropriate.

Rating basis	Rates funding is recovered through a Capital Value rate. Costs are allocated between urban and rural areas using the population allocation. The commercial differential recognises that businesses receive additional indirect benefits from the provision of public conveniences.

Recreation Centre

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports an Engaged and Empowered Community by providing accessible recreation, aquatic and fitness facilities that encourage active lifestyles, social participation and community wellbeing. The activity also contributes to A Thriving and Resilient Economy by enhancing the attractiveness of the district as a place to live, work and visit.
Distribution of benefits	Direct benefits accrue to facility users, sports participants, spectators, clubs, schools and event organisers. Wider community benefits arise through improved health outcomes, water safety education, youth engagement, social wellbeing and the availability of high-quality recreation facilities. Although user benefits are assessed as significant, Council also recognises substantial community-wide benefits.
Period of benefit	Benefits are realised both currently through day-to-day use of the facility and over the long term through improvements in community health, wellbeing and recreation infrastructure.
Exacerbator pays	Not generally applicable. Users contribute through admission charges, memberships and programme fees.
Costs and benefits of funding methods	While users can be readily identified and charged, Council has determined that recovering the full cost of the facility from users would create affordability barriers and reduce participation, particularly for lower-income households, children and young people. Although direct user benefits are assessed as significant, Council has intentionally adopted a lower level of cost recovery in recognition of the wider community benefits arising from participation in recreation, aquatic activities, learn-to-swim programmes, health promotion and community wellbeing. Rates funding therefore recognises both the public benefits generated by the facility and Council's objective of ensuring broad community access.

Operating funding mix	User charges and other recoveries are targeted to recover approximately 30% of operating costs, with the balance funded from rates.
Capital funding approach	Asset renewals and minor capital works are funded from depreciation reserves. Future replacement and major upgrades are expected to be funded through a combination of borrowing, grants, reserves and external funding.
Rating basis	Rates funding is recovered through the Targeted Uniform Charge. Costs are allocated between urban and rural areas using the population allocation reflecting the district-wide availability and benefit of the facility.

Waste Minimisation (Recycling and Composting)

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Sustainable and Healthy Environment by promoting waste reduction, recycling, resource recovery and sustainable behaviours that reduce pressure on landfill and improve environmental outcomes for current and future generations.
Distribution of benefits	Community-wide benefits arise through reduced waste to landfill, reduced consumption of natural resources and improved environmental outcomes. Direct benefits accrue to individuals and businesses that use recycling and composting facilities to dispose of unwanted materials.
Period of benefit	Benefits are realised both immediately through waste diversion and over the long term through improved environmental outcomes and resource conservation.
Exacerbator pays	Users generating compostable waste contribute through greenwaste charges. Those generating waste are encouraged to contribute toward the costs of managing and processing that material.
Costs and benefits of funding methods	While identifiable users receive direct benefits, Council considers there is a significant public benefit from reducing waste to landfill and encouraging recycling. Charges are applied to greenwaste processing, but pricing is intentionally set at levels that encourage positive waste behaviours and support waste minimisation objectives. Rates funding

	recognises the broader environmental benefits delivered across the district.
Operating funding mix	Greenwaste charges are targeted to recover approximately 80% of contracted processing costs. The balance of activity costs, largely associated with recycling services, is funded through rates.
Capital funding approach	Expansion of waste minimisation and processing facilities may be funded through borrowing and external subsidies, including funding from the Waste Levy.
Rating basis	Rates funding is recovered through a Capital Value rate. Costs are allocated between urban and rural areas using the population allocation.

Recycling Kerbside Collection

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Sustainable and Healthy Environment by providing convenient recycling services that reduce waste to landfill, conserve resources and enable residents to actively participate in sustainable waste management practices.
Distribution of benefits	Direct benefits accrue to households and properties receiving the collection service through convenient recycling collection. Wider community benefits arise from waste diversion, reduced landfill demand and environmental improvements.
Period of benefit	Benefits are both current and long term, with immediate convenience for service users and enduring environmental benefits arising from reduced waste disposal.
Exacerbator pays	Those located within the serviced area contribute through the targeted charge applied to properties that have access to the collection service.
Costs and benefits of funding methods	Service recipients can be readily identified, making a targeted rate an effective and equitable funding mechanism. A targeted charge ensures the costs of collection are borne by those who have access to and benefit from the service while continuing to support Council's waste minimisation objectives.

Operating funding mix	Costs are substantially recovered through a targeted uniform rate applied within serviced areas.
Capital funding approach	Collection infrastructure and service improvements are funded through targeted charges, reserves, borrowing and external funding where available.
Rating basis	Funded through a Targeted Uniform Charge charged to every separately used or inhabited part of a rating unit within the collection service area (urban area only).

Refuse Collection

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Sustainable and Healthy Environment by contributing to a clean, healthy and safe district through the collection and disposal of household waste. The activity supports public health, environmental protection and responsible waste management practices.
Distribution of benefits	Direct benefits accrue to households and property owners who use the collection service. Wider community benefits arise through improved public health, environmental outcomes and reduced litter within the district.
Period of benefit	Benefits are primarily current, reflecting the ongoing collection and disposal of household refuse. Long-term benefits also arise through the maintenance of community health and environmental quality.
Exacerbator pays	Those generating refuse contribute through the purchase of official Council rubbish bags, ensuring that those creating waste contribute toward the costs of collection and disposal.
Costs and benefits of funding methods	Council considers user pays to be the preferred funding mechanism because the volume of waste generated is influenced by individual behaviour. Pricing through rubbish bags encourages waste minimisation and recycling while allowing those generating waste to contribute directly toward service costs. A limited rates contribution recognises the wider community benefits associated with maintaining a clean and healthy environment.

Operating funding mix	Revenue from the sale of official Council rubbish bags is intended to recover as much of the service cost as practicable. Any remaining costs are recovered through rates.
Capital funding approach	Capital expenditure associated with refuse collection infrastructure and waste management facilities is funded through Council's capital funding policies, including borrowing, reserves and external funding where appropriate.
Rating basis	Rates funding is recovered through a Capital Value-based rate within the urban area only, reflecting the location of service delivery and benefit.

Urban Transfer Station (Refuse Disposal)

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Sustainable and Healthy Environment by providing safe and responsible waste disposal services that protect public health and reduce inappropriate waste disposal. The activity also contributes to an Engaged and Empowered Community by ensuring residents and businesses have access to essential waste management infrastructure.
Distribution of benefits	Direct benefits accrue to individuals, households, businesses and organisations that use the transfer station to dispose of waste. Wider community benefits arise through the availability of safe waste disposal services, protection of public health, environmental outcomes and the reduction of illegal dumping or unmanaged waste.
Period of benefit	Benefits are realised both currently through ongoing disposal services and over the long term through environmental protection and responsible waste management practices.
Exacerbator pays	Waste generators contribute directly through gate fees based on the type and quantity of waste disposed of, reflecting the costs associated with managing and disposing of that waste.
Costs and benefits of funding methods	Users can be readily identified and charged through the weighbridge and gate fee system. Council's policy is to target full cost recovery through user charges where practicable. However, rates funding may be required to recognise the wider public health and environmental benefits of providing

	convenient waste disposal services and to avoid gate charges becoming a disincentive to lawful disposal.
Operating funding mix	Gate fees are targeted to recover 100% of operating costs where possible. Any residual costs are funded from rates.
Capital funding approach	New infrastructure and major improvements may be funded through user charges, waste levy grants, reserves and borrowing.
Rating basis	Any rates-funded component is recovered through Capital Value-based rates. Costs are allocated between urban and rural areas using the population allocation, recognising the wider community benefit associated with maintaining accessible waste disposal infrastructure.

Resource Management and Planning

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Sustainable and Healthy Environment through the sustainable management of land use and natural resources. The activity also supports a Thriving and Resilient Economy by enabling appropriate development and investment and contributes to an Engaged and Empowered Community through planning processes that provide opportunities for participation in district development.
Distribution of benefits	Public benefits arise through the development and administration of a consistent planning framework that manages environmental effects, protects community amenity and supports sustainable development. Direct benefits accrue to landowners, developers and applicants who receive planning advice or resource consents.
Period of benefit	Benefits are strongly intergenerational. Planning decisions influence land use, environmental quality, infrastructure requirements and community outcomes for many years into the future.
Exacerbator pays	Applicants contribute through resource consent fees and other planning-related charges, recognising the additional costs generated by development proposals and planning processes.

Costs and benefits of funding methods	While applicants receive direct benefits and can be charged for specific services, many planning functions provide wider public benefits that cannot reasonably be attributed to individual users. Rates funding recognises the community-wide benefits of effective planning, environmental management and sustainable development.
Operating funding mix	Resource consent fees are targeted to recover approximately 30% of activity costs. The remaining costs are funded from rates.
Capital funding approach	This is primarily an operating activity. Financial contributions collected under planning instruments are transferred to reserves and used for their intended long-term purposes.
Rating basis	Rates funding is recovered through a Capital Value rate. Costs are allocated between urban and rural areas using the population allocation.

Subsidised Roading

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports Efficient, Safe and Effective Infrastructure by providing and maintaining a safe, reliable and connected transport network. The activity also supports a Thriving and Resilient Economy by enabling the movement of people, goods and services and contributes to An Engaged and Empowered Community through access to employment, education, recreation and essential services.
Distribution of benefits	Benefits accrue across the district to residents, businesses, visitors, transport operators and property owners. The roading network enables economic activity, community connectivity and access to services. Direct benefits accrue to road users, while broader social and economic benefits are shared throughout the community.
Period of benefit	Benefits are both current and intergenerational. Roading assets have long useful lives and support economic and community outcomes over multiple generations.
Exacerbator pays	Road users contribute indirectly through fuel excise duties, road user charges and vehicle registration fees, which support Waka Kotahi funding of local roads. Heavy vehicle impacts

	and forestry-related effects on the network are recognised as important considerations in the allocation of roading costs.
Costs and benefits of funding methods	The benefits of the roading network are shared widely and over long periods, making a combination of national transport funding and local rates an appropriate funding approach. Land Value-based rates recognise the relationship between land use, economic activity and the benefit derived from network access, while targeted charges recognise the broad public benefit of the roading network.
Operating funding mix	Costs are funded through a combination of Waka Kotahi subsidies and local rates. Council allocates roading costs between urban and rural areas based on relative expenditure levels and applies a mix of targeted charges and Land Value-based rates.
Capital funding approach	Renewals are funded through a combination of Waka Kotahi subsidies and rates. Improvements and new assets may be funded through subsidies, borrowing, rates and direct beneficiary contributions where appropriate.
Rating basis	Costs are allocated between urban and rural areas and funded through a combination of Targeted Uniform Charge and differential Land Value-based roading rates. Land Value is considered the most appropriate means of recognising the benefit derived from access to the transport network and the productive use of land.

Roading – Storm Damage

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports Efficient, Safe and Effective Infrastructure by restoring and protecting transport infrastructure following severe weather events. The activity also supports a Thriving and Resilient Economy by maintaining access for businesses, freight movements and rural production, and contributes to An Engaged and Empowered Community through the restoration of safe and reliable access to homes, services and community facilities.
Distribution of benefits	Benefits accrue across the district. While storm damage often occurs in specific locations, the restoration of transport links and critical infrastructure benefits residents, businesses, visitors

	and communities throughout Masterton. Recovery works support community connectivity, emergency access, economic activity and public safety
Period of benefit	Benefits are both immediate and intergenerational. Recovery works restore access and services in the short term while resilience improvements provide protection and service continuity for future generations.
Exacerbator pays	Not applicable. Storm damage is caused by natural hazard events rather than identifiable individuals or groups.
Costs and benefits of funding methods	User charges are neither practical nor equitable. The benefits of recovery and resilience are shared across the district and often extend beyond the location where damage occurs. A district-wide funding approach recognises the community-wide benefits of a resilient and connected transport network and spreads the financial impact of infrequent but significant weather events. External funding assistance is sought wherever available.
Operating funding mix	The Storm Damage Fund is restored through rates funding, supplemented by reserves and external funding where available. Council has determined that storm damage costs should be shared across the community rather than primarily allocated to rural ratepayers. While storm damage has historically occurred predominantly on rural roads, the increasing frequency and severity of weather events means future impacts may occur across the wider transport network. A district-wide funding approach recognises that the benefits of network resilience, recovery and continued connectivity are shared by both urban and rural communities.
Capital funding approach	Recovery and resilience projects may be funded through a combination of reserves, borrowing, rates and external subsidies. Borrowing may be used where significant long-term resilience benefits are expected.
Rating basis	Rates funding is recovered through a Capital Value rate. Costs are allocated between urban and rural areas using the population allocation recognising that the benefits of restoring network functionality and maintaining community resilience are shared across the district.

Roading – Subsidised

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports Efficient, Safe and Effective Infrastructure through the provision of a safe and reliable transport network. The activity also supports a Thriving and Resilient Economy and an Engaged and Empowered Community by enabling access to employment, education, services and recreation.
Distribution of benefits	Benefits accrue to residents, businesses, visitors, freight operators and property owners throughout the district.
Period of benefit	Benefits are both current and intergenerational due to the long life of transport infrastructure assets.
Exacerbator pays	Road users contribute indirectly through fuel excise duties, road user charges and other national transport funding mechanisms.
Costs and benefits of funding methods	Property owners benefit through access to the transport network and increased utility of land. The broad distribution of benefits supports a combination of Waka Kotahi funding and local rates.
Operating funding mix	Combination of Waka Kotahi subsidies and local rates.
Capital funding approach	Subsidies, rates, borrowing, development contributions and reserves where appropriate.
Rating basis	Costs are allocated between urban and rural areas and funded through a combination of Targeted Uniform Charge and differential Land Value-based roading rates. Land Value is considered the most appropriate means of recognising the benefit derived from access to the transport network and the productive use of land.

Roading – Non-Subsidised Rural

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports Efficient, Safe and Effective Infrastructure and a Thriving and Resilient Economy by maintaining transport

	assets that primarily service rural communities and productive land uses.
Distribution of benefits	Benefits accrue primarily to rural residents, landowners, businesses and rural road users through improved access and connectivity.
Period of benefit	Benefits are both current and long term due to the ongoing service provided by rural transport assets.
Exacerbator pays	Heavy vehicle users and productive land uses contribute to network wear, although direct cost recovery is limited.
Costs and benefits of funding methods	As benefits are predominantly received within the rural area, Council considers it appropriate that the majority of costs are recovered from rural ratepayers.
Operating funding mix	Primarily funded from rural rates.
Capital funding approach	Funded through rates, reserves and borrowing where appropriate.
Rating basis	Rates funding is recovered through a combination of rural Targeted Uniform Charge and Land Value-based rural rates.

Roading – Non-Subsidised Urban

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports Efficient, Safe and Effective Infrastructure through the provision and maintenance of urban transport and streetscape assets. The activity also supports an Engaged and Empowered Community by contributing to a safe, accessible and attractive urban environment.
Distribution of benefits	Benefits accrue primarily to urban residents, businesses, visitors and road users through enhanced amenity, safety and accessibility.
Period of benefit	Benefits are realised both currently and over the long term through the maintenance of urban infrastructure assets.
Exacerbator pays	Not generally applicable as benefits are shared broadly across the urban area.

Costs and benefits of funding methods	User charging is not practical. Funding from urban ratepayers reflects the primary location of benefits and the public-good nature of the services provided.
Operating funding mix	Primarily funded from urban rates and local transport revenues where applicable.
Capital funding approach	Funded through depreciation, rates, reserves and borrowing where appropriate.
Rating basis	Rates funding is recovered through a combination of urban Targeted Uniform Charge and Land Value-based urban rates.

Rural Halls

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports an Engaged and Empowered Community by providing facilities that enable social interaction, local events, community activities and emergency gathering spaces within rural communities. The activity also contributes to Pride in our Identity and Heritage by maintaining long-standing community assets that often form an important part of local identity and history.
Distribution of benefits	Direct benefits accrue to hall users and community groups. Wider benefits arise through strengthened community connections, social cohesion and the availability of shared community spaces within rural areas.
Period of benefit	Benefits are realised both currently and over the long term through the continued availability of community infrastructure to support future generations.
Exacerbator pays	Not applicable. User numbers are relatively low and the costs of extensive user charging would outweigh the potential revenue obtained.
Costs and benefits of funding methods	While users receive a direct benefit, user charges can recover only a small proportion of costs. Rates funding recognises the wider community value of maintaining rural community facilities and ensuring access remains affordable.
Operating funding mix	User charges recover approximately 1% of costs. The balance is funded from rates.

Capital funding approach	Renewals are funded through depreciation reserves, although not all depreciation is funded. Asset rationalisation and disposal proceeds may be transferred to General Capital Reserves.
Rating basis	Rates funding is recovered through a Capital Value-based rate. Approximately 95% of costs are allocated to the rural area and 5% to the urban area, reflecting the location of the service and the distribution of benefits.

Rural Refuse

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports a Sustainable and Healthy Environment by providing waste disposal and resource recovery services that promote public health and environmental protection. The activity also supports An Engaged and Empowered Community by ensuring rural communities have access to essential waste management services.
Distribution of benefits	Direct benefits accrue to users of rural transfer stations and collection services. Wider benefits arise through improved environmental outcomes, reduced illegal dumping, improved public health and the availability of waste services throughout the district.
Period of benefit	Benefits are realised both currently through service provision and over the longer term through environmental protection and responsible waste management practices.
Exacerbator pays	Users contribute through transfer station fees, collection charges and targeted rates where services can be readily identified. Those generating waste contribute toward disposal costs.
Costs and benefits of funding methods	Full user-pays funding is not considered practical due to the relatively high costs of servicing dispersed rural communities and the lower volumes of waste received. Council therefore combines user charges, targeted rates and general rates funding to balance affordability, service accessibility and environmental outcomes.
Operating funding mix	Transfer station charges recover approximately 5% of costs. Beach collection services are partly funded through targeted rates on serviced properties. Remaining costs are allocated

	approximately 90% to rural areas and 10% to urban areas and funded through rates.
Capital funding approach	Facility upgrades and improvements may be funded through borrowing, reserves, targeted rates and external funding where available.
Rating basis	Following targeted beach collection rates and user charges, remaining costs are recovered through a rural Capital Value-based rate. Council considers this approach provides consistency with the urban funding approach and assists in reducing reliance on uniform charges.

Representation

Section 101(3) Consideration	Assessment
Community outcomes supported	Supports an Engaged and Empowered Community by providing democratic leadership, representation, accountability and opportunities for public participation in local decision-making. The activity also supports all community outcomes through governance, strategic direction-setting and oversight of Council services and investments.
Distribution of benefits	Benefits are predominantly community-wide. Elected members represent the interests of all residents and ratepayers, provide governance and strategic leadership, and make decisions on behalf of the district. While individuals and groups may engage directly with elected members, the benefits of democratic representation accrue broadly across the community.
Period of benefit	Benefits are both current and long term. Governance decisions influence current service delivery, community outcomes, investment decisions and the future direction of the district.
Exacerbator pays	Not applicable. The need for democratic governance and representation arises from Council's statutory responsibilities and the provision of local government services to the community as a whole.

Costs and benefits of funding methods	User charges are neither practical nor appropriate as democratic representation is provided for the benefit of the entire community and access to elected members cannot reasonably be restricted to those willing to pay. Rates funding is therefore considered the most equitable and efficient funding mechanism. Capital Value-based funding recognises the broad community benefit of effective governance and provides a reasonable measure of ability to pay.
Operating funding mix	The activity is predominantly funded from rates. Approximately 40% of costs are allocated as overheads to Council activities, with the balance funded through the Representation & Development Rate.
Capital funding approach	Representation is primarily an operating activity. Any capital expenditure associated with governance systems, election technology or meeting facilities is funded through Council's normal capital funding policies.
Rating basis	The rates-funded component is recovered through recovered through a Capital Value-based rate. Costs are allocated between urban and rural areas using the population allocation, reflecting Council's view that elected members represent all ratepayers across the district.

Overall Impact Assessment (Section 101(3)(b))

Following completion of the activity-level assessments required under section 101(3)(a) of the Local Government Act 2002, Council must consider the overall impact of the resulting allocation of funding responsibilities on the current and future social, economic, environmental and cultural wellbeing of the community.

The review has found that the majority of existing funding decisions remain appropriate and continue to broadly align with Council's funding principles. The proposed changes do not significantly alter the overall balance between user-pays and rates-funded activities. Instead, the review focuses on improving transparency, strengthening the rationale supporting existing funding decisions, and ensuring the policy better reflects current service delivery arrangements and Council decisions.

In considering the overall impact of the proposed funding allocations, the following key themes have emerged:

Affordability

Council has considered the affordability of rates and fees for households, businesses and rural landowners. Particular attention has been given to activities where full cost recovery from users may create barriers to participation or access, including the

Recreation Centre, Library, Community Development and Housing for the Elderly activities.

The proposed changes largely reallocate funding responsibilities between different parts of the community rather than increasing the overall amount of rates collected. However, some redistribution of costs will occur between urban and rural ratepayers as a result of the proposed changes to Storm Damage funding, Animal Control, Rural Solid Waste, Parks & Reserves and Cemeteries.

The transition of water services to Waitī Waters is expected to reduce rates by between approximately 4.8% and 37.2%, depending on property type. The combined effect of the proposed Revenue and Financing Policy changes is comparatively modest and is estimated to result in an average rates increase of up to 4.7% for some properties and an average reduction of up to 3.8% for others.

Overall, officers consider the proposed changes achieve a reasonable balance between affordability, fairness and the distribution of benefits, while ensuring compliance with the Local Government (Rating) Act 2002 and maintaining the integrity of Council's funding framework.

Fairness and Distribution of Costs

A key objective of the review has been to ensure the allocation of costs reflects, as closely as reasonably practicable, the distribution of benefits and service demand associated with each activity.

Several proposed changes seek to improve the alignment between those who benefit from, or create the need for, an activity and those who contribute to its funding. Examples include:

- allocating Animal Control costs more heavily to urban areas where the majority of service demand occurs;
- funding Storm Damage costs on a district-wide basis recognising the shared benefits of network resilience and recovery;
- improving consistency in the use of Capital Value-based rates for district amenity activities such as Parks & Reserves, Cemeteries and Rural Solid Waste; and
- retaining user-pays approaches where beneficiaries can be readily identified.

Community Wellbeing

Council has considered the broader social, economic, environmental and cultural benefits that arise from many activities and services. For several activities, the review confirms that a strict beneficiary-pays approach would not be consistent with Council's wider community outcomes.

Examples include:

- Recreation Centre funding, where rates support affordability and participation objectives;
- Library and Archive services, where significant community and intergenerational benefits justify high levels of rates funding;
- Parks & Reserves, where public access and community wellbeing outcomes are prioritised; and
- Housing for the Elderly, where a limited rates contribution supports wider social wellbeing objectives.

Intergenerational Equity

Council has considered the extent to which future generations benefit from current expenditure and infrastructure investment.

Long-life assets such as transport infrastructure, community facilities, parks, cemeteries and airport infrastructure provide benefits over multiple generations. Consistent with Council's existing financial strategy, borrowing, reserves and depreciation funding continue to play an important role in ensuring costs are shared fairly between current and future beneficiaries.

The proposed Storm Damage funding approach also recognises that resilience investments made today provide benefits to future communities through the protection and restoration of critical infrastructure.

Resilience and Sustainability

The review recognises that climate-related events, infrastructure resilience and long-term sustainability are increasingly important considerations in Council's funding decisions.

The proposed approach to Storm Damage funding reflects a shift from viewing recovery costs as primarily a rural roading issue towards recognising the district-wide benefits of maintaining a resilient transport network. This aligns with Council's broader resilience objectives and supports the long-term sustainability of funding arrangements.

Te Ture Whenua Māori Act 1993

Council has considered its obligations under section 102(3A) of the Local Government Act 2002 and the principles contained in the Preamble to Te Ture Whenua Māori Act 1993.

The Revenue and Financing Policy has been developed alongside Council's rates remission and postponement policies, which provide mechanisms to recognise the unique characteristics of Māori freehold land and support the retention, occupation,

development and utilisation of that land for the benefit of its owners, whānau and hapū.

Overall Conclusion

Overall, officers consider that the proposed funding allocations continue to achieve an appropriate balance between:

- user-pays and community funding;
- affordability and full cost recovery;
- current and future beneficiaries;
- urban and rural interests; and
- transparency, fairness and administrative practicality.

The proposed changes are considered to improve the alignment between Council's funding decisions, the funding principles set out in section 101(3) of the Local Government Act 2002, and the community outcomes contained within the Long-Term Plan

8 REPORTS FOR INFORMATION

Nil

9 PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

I move that the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Agenda Item No: 9.1 Procurement Strategy for Town Hall/ Performance Space	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7