

Council provides. The existence of private benefits is doubtful. Council's objective is to ensure such sites and buildings are preserved, through contributing to activities such as earthquake strengthening, as private owners have insufficient incentives to do so.

Ideally Council's contribution would be just sufficient to ensure preservation and no more. In this way Council is purchasing the public benefit, while the owners invest up to the level of their own private benefit.

Total benefit to the community as a whole: 15%
Total benefit to individuals or identifiable parts of the community: 85%

Costs and Benefits of Distinct Funding

s101(3)(a)(v)

Council has a strategic goal of developing an urban environment that will help to attract people and investment. Council is currently implementing projects to achieve this goal and believes that part-charging the adjoining property owner for design enhancements will result in the projects not proceeding in a co-ordinated manner. It is felt that while some benefit will be obtained by neighbouring properties the whole community will also benefit.

Total costs allocated to the community as a whole: 100%

FINAL COST ALLOCATION PERCENTAGE

Total Private Funding	0.0
Public Funding	
General Rate	
Residential	9.4
Business	90.0
Utility	0.4
Rural	0.2
Total Public Funding	100.0
TOTAL	100.0

The business community gains the primary benefits of this activity as the work is generally carried out in business areas.

15. ECONOMIC DEVELOPMENT

Description

Council has a leading role in fostering the city's growth in a number of ways.

These are through creating a business-friendly environment, facilitating the expansion and creation of local businesses and employment, increasing tourism to the city and contributing to regional growth through regional economic development initiatives. Individual businesses generally have insufficient incentives to explore opportunities that benefit the city as a whole as well as themselves. The city's businesses and residents benefit from Council's support of the business sector and from the promotion of the city as a place to visit.

Community Outcomes

s101(3)(a)(i)

This activity contributes primarily to Community Outcome 1 – Prosperous Community “a local economy that is attractive to both businesses and residents”.

Distribution of Benefits

s101(3)(a)(ii)

Whole Community

The general economic development function of Council aims to increase jobs and wealth for the benefit of the whole city. These projects are targeted at regional co-operation and growth industries. Over time the economic growth of the city does not benefit any one group in the community. The direct benefits, however, are firstly to businesses rather than to salary and wage earners.

Council also aims to carry out improvements to the public space in business areas, as requested and partly funded by the business community, specifically to improve economic activity. CBD and Jackson Street projects in this activity have a direct benefit to the businesses in those areas, but there are also indirect benefits to the whole community. Improvements are generally made only to public land, therefore substantial benefits apply to the community in general.



The business sector, and the whole community indirectly, also receive benefits from events funding which make visiting the city centre a more attractive experience.

Council also produces promotional material and operates a visitor information service. The majority of the effort in this activity is to develop and disseminate information for visitors and prospective investors and to hone Council’s policies into an investment-friendly form. These activities are generally non-excludable and non-rival and exist for the betterment of the city as a whole. While the service is open to all businesses and the employment benefits flow through to the whole community, the direct benefits are firstly to businesses rather than to salary and wage earners.

Individuals and Identifiable Parts of the Community

As noted above the direct benefits of economic development flow firstly to businesses rather than salary and wage earners. Central city programmes also provide benefits to the businesses in the area. The users of the visitor information service and the businesses promoted in it gain private benefits.

Council’s role in this activity is purely as a tax collector. By using its tax collecting powers Council prevents individual businesses in the CBD from refusing to contribute to the scheme while still receiving its benefits. The policy thus prevents what is known as “free-riding”. The potential for free-riding infers that the programmes are at least non-excludable within their boundaries. This activity has direct benefits, diminishing the further you are from the area concerned.

Total benefit to the community as a whole: 0%
Total benefit to individuals or identifiable parts of the community: 100%

Costs and Benefits of Distinct Funding

s101(3)(a)(v)

For a large part of this activity Council is acting as a tax collector on behalf of the business community.

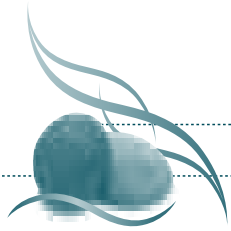
The Distribution of Benefits assessment suggests that 100% of the activity should be funded from a targeted rate on the business community,

Targeted funding of the activity would have benefits in terms of the transparency of cost allocation and charging. It would also increase accountability by relating the service received to the charge imposed. However, Council believes that it is more efficient to assess the overall benefit to businesses from Council activities and recover the costs through the use of a business differential within the general rate. As a result of this assessment costs allocated to the business community become part of the costs allocated to the community as a whole.

Total costs allocated to the community as a whole: 100%

FINAL COST ALLOCATION PERCENTAGE	
Total Private Funding	0.0
Public Funding	
General Rate	
Business	91.6
Utility	8.4
Total Public Funding	100.0
TOTAL	100.0

The distribution of public funding has been assessed at 100% business as the business community gains the primary benefits in general. Utility companies have been grouped with businesses on this occasion, as utility owners will generally also benefit from increased economic activity.



16. ELECTED MEMBERS

Description

Council is an elected body that governs the direction and objectives of the activities it is responsible for on behalf of the city. Community representatives on Community Boards and Ward Committees are part of Council and provide local input into governance issues. Council is required by law to have elected members.

Community Outcomes

s101(3)(a)(i)

This activity contributes to all Community Outcomes in that the elected members of Council are responsible for defining those outcomes and deciding how they are to be achieved.

Distribution of Benefits

s101(3)(a)(ii)

Whole Community

The benefits of this activity are both non-excludable and non-rival. Councillors and members and the direct costs involved in supporting their operation are a legal requirement. The benefits from community representation are largely independent of the number of residents and are spread across the entire community.

Individuals and Identifiable Parts of the Community

No benefits are seen to flow to individuals or parts of the community other than those that flow to the community as a whole.

Total benefit to the community as a whole: 100%

Costs and Benefits of Distinct Funding

s101(3)(a)(v)

The Distribution of Benefits analysis for this activity indicates that all benefits flow to the community as a whole. The most efficient way to fund this benefit pattern is through general rates.

Total costs allocated to the community as a whole: 100%

FINAL COST ALLOCATION PERCENTAGE

Total Private Funding	0.0
Public Funding	
General Rate	
Residential	79.3
Business	15.9
Utility	3.2
Rural	1.6
Total Public Funding	100.0
TOTAL	100.0

The distribution of public funding between rating groups is based on property valuations reflecting an even spread of benefits across all ratepayers.

17. ADVICE AND SUPPORT

Description

This activity involves the processes of policy formation, consultation and public accountability on behalf of Council. The most public examples of this are the annual planning and reporting processes and the development of the city's strategic plans. Professional advice and support are necessary to assist the community and their representatives on Council, Community Boards and Ward Committees to make informed decisions on behalf of the community.

Community Outcomes

s101(3)(a)(i)

This activity contributes to all Community Outcomes.



Distribution of Benefits

s101(3)(a)(ii)

Whole Community

The benefits of this activity are both non-excludable and non-rival. Advice and support services are essential to allow the elected members to set policy and manage resource allocation. The benefits from this are largely independent of the number of residents and are spread across the entire community.

Individuals and Identifiable Parts of the Community

No benefits are seen to flow to individuals or parts of the community other than those that flow to the community as a whole.

Total benefit to the community as a whole: 100%

Costs and Benefits of Distinct Funding

s101(3)(a)(v)

The Distribution of Benefits analysis for this activity indicates that all benefits flow to the community as a whole. The most efficient way to fund this benefit pattern is through general rates.

Total costs allocated to the community as a whole: 100%

FINAL COST ALLOCATION PERCENTAGE

Total Private Funding 0.0

Public Funding

General Rate	
Residential	79.3
Business	15.9
Utility	3.2
Rural	1.6
Total Public Funding	100.0
TOTAL	100.0

The distribution of public funding between rating groups is based on property valuations reflecting an even spread of benefits across all ratepayers.

18. MANAGING SERVICES

Description

This activity incorporates the organisational support functions that help Council to provide its other activities in the most efficient and effective manner. It includes:

- Customer Relations
- Finance
- General Administration
- Human Resources
- Information Management
- Office of the Chief Executive (including Legal Counsel and Communications)
- Strategic Development.

Community Outcomes

s101(3)(a)(i)

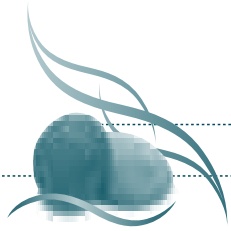
This activity contributes to all Community Outcomes by supporting all of Council's other activities.

Distribution of Benefits

s101(3)(a)(ii)

Whole Community

The benefits of this activity are both non-excludable and non-rival. Advice and support services are essential to allow the elected members to set policy and manage resource allocation. The benefits from this are largely independent of the number of residents and are spread across the entire community.



Individuals and Identifiable Parts of the Community

No benefits are seen to flow to individuals or parts of the community other than those that flow to the community as a whole.

Total benefit to the community as a whole: 100%

Costs and Benefits of Distinct Funding

s101(3)(a)(v)

The Distribution of Benefits analysis for this activity indicates that all benefits flow to the community as a whole. However, the costs of the activity are most appropriately funded by allocating the costs across all of Council’s other significant activities. Council achieves this through an overhead allocation process whereby the costs are attributed to each significant activity based on selected cost drivers and related activity or usage information. Interest costs are allocated to each activity in proportion to the net book value of fixed assets used by the activity.

As a result of this overhead allocation process, no public funding is required for this activity.

The costs of this activity are partially offset by miscellaneous revenues prior to being allocated across other significant activities. These revenues include such things as penalties for late payment of rates, interest and dividends from investments, and commissions for the provision of services to entities other than Council. Forecast revenues are reflected as private funding percentages in the table below.

Total costs allocated to individuals or identifiable parts of the community: 100%

FINAL COST ALLOCATION PERCENTAGE

Private Funding	
User Charges	65.0
Operating Subsidies	5.0
Interest Income	5.0
Other Revenue	35.0
Transfers to Reserves	(10.0)
Total Private Funding	100.0
Total Public Funding	0.0
TOTAL	100.0