

# Revenue and Financing Policy 2024

## Purpose and scope

1. This policy outlines the choices Council has made in deciding the appropriate sources of funding for operating and capital expenditure from those sources listed in the Local Government Act 2002 (LGA). The policy also shows how the Council complied with section 101(3) of the LGA which sets out a number of factors we must consider when making these decisions. A comprehensive analysis of this is included in the Funding Needs Analysis (Appended).
2. Deciding the best way to fund activities is complex. Applying the legislation is complex and involves many statutes, regulations and multiple statutory policies. The outcome of balancing all those matters requires judgement having considered many factors including but not limited to:
  - Legal.
  - Social.
  - Competition.
  - Affordability.
  - Impact of change.
  - Efficiency.
  - Equity.
  - Cost.
  - Intergenerational equity.
  - Transparency.
  - Accountability.
  - Business.
  - Strategic Alignment.
  - Benefit.

## Policy

### Funding of Recovery

3. Recovery work packages will be undertaken within the Council activities with greatest strategic alignment to those packages. While the funding for these packages may often mirror what takes place in the normal course of business for these activities, the funding for each will be separately determined and formalised in updates to the Recovery Plan. The policy statements and parameters that follow in this document pertain to the normal course of business.

### Water Services Reforms

4. At the time of this policy review the Government has repealed the pre-existing Water Services Entities and Water Services Reform legislation under its 'Local Water Done Well' programme. The future for water services remains uncertain but it is generally held that change is inevitable. As such, policy statements relating to the funding of Water Supply, Wastewater and Stormwater within this document shall hold for as long as these activities are delivered exclusively by Council.

### Funding sources for operating expenses

5. Operating costs are the everyday spending on Council activities. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing for capital projects and overheads.
6. The funding of each activity must be considered individually. Some activities may be best funded by user charges, such as building consents, others with targeted rates, such as water, and others from the general rate, such as roading.
7. The funding sources used for operating costs and the Council's policies in respect of funding operating expenses are described in the following sections.

## User Charges

8. User charges are applied to services where it is identified there is a benefit to an individual or group, or directly attributable cost. User charges are a broad group of fees charged directly to an individual or entity including but not limited to:
  - Service charges.
  - Hire.
  - Rent, lease, licences for land and buildings.
  - Permits.
  - Regulatory charges.
  - Fines and penalties.
  - Connection fees.
  - Disposal fees.
  - Deposits.
  - Private works.
  - Planning and consent fees.
  - Statutory charges.
  - Retail sales.
  - Landing fees
9. The price of the service is based on a number of factors, including but not limited to:
  - a. The cost of providing the service.
  - b. The estimate of the users' private benefit from using the service.
  - c. The impact of cost to encourage/discourage behaviours.
  - d. The impact of cost on demand for the service.
  - e. Market pricing, including comparability with other councils.
  - f. The impact of rates subsidies if competing with local businesses.
  - g. Cost and efficiency of collection mechanisms.
  - h. The impact of affordability on users.
  - i. Statutory limits.
  - j. Other matters as determined by the Council.
10. The ability to charge user charges is limited by various statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the cost of providing the service. In some cases, legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (such as the Waste Minimisation Act 2008) fees may be set at greater than the cost of providing the service. It is appropriate to incorporate overhead costs when determining the cost of providing a service.
11. Where goods or services are sold commercially, and taking into consideration legislative limitations, the Council's preference is to charge a market price. This includes retail sales, leases, rents and licences for land and buildings.
12. Fees and charges may be set at any time and are reviewed annually. A list of current fees and charges is maintained on our website.
13. Revenue from user charges is generally allocated to the activity which generates the revenue.

## Grants, sponsorship, subsidies and other income

14. Grants, sponsorship and subsidies are used where they are available. Many of these types of income are regular and predictable and can be budgeted for (for example Waka Kotahi NZTA roading subsidy). Some other types are unexpected or unpredictable and may not be able to be prudently budgeted (such as Provincial Growth Fund funding, reparation payments, civil defence and other reimbursements, legal settlements and insurance claims). These are applied as they arise to the corresponding activity or project.

## Investment income and proceeds from the sale of assets

15. The Council's approach to investments is documented in the Investment and Liability Management Policies. These investments generate income such as dividends, interest, and rents.
16. Income from all asset disposals are generally receipted to the activity that used the asset to deliver service. Generally, these proceeds are considered to be capital in nature. However, low value items may be used to fund operating costs. Council may resolve to utilise higher value proceeds for operating purposes if it is satisfied that it is prudent and in the community's interest.

## Surpluses

17. Council will price its activities (fees and charges, leases) on a prudent cost recovery basis. As a not-for-profit public benefit entity its financial objective is to maximise value. There are however several circumstances where Council may make a surplus:
  - a. To pay for future projects – funds will be held in reserve until the project budget is approved.
  - b. Windfalls and donations without conditions. Council will determine appropriate utilisation.
  - c. 'Sales' volumes exceed expectations, e.g. consenting revenue, licenses. Surpluses will be used to repay debt or acquire investments the income from which may be used to offset operating expenses.

## Development contributions, financial contributions and lump sum contributions

18. Generally, there is little revenue from these funding sources to fund operating costs.
19. Lump sum contributions have been used for the Māhia and Ōpoutama wastewater schemes, which included a portion of operating cost (interest). Council has an Early Payment of Rates Policy enabling existing ratepayers for these schemes to pay future targeted rates for this in advance.
20. Council will consider using lump sum contribution arrangements as a suitable funding option for future projects.
21. Financial contributions, relating to resource consents are collected and placed in a reserve fund. The use of this funds could include some operating costs. The Council does not currently take development contributions, but they are a legitimate source of revenue for specific purposes that this policy permits subject to the adoption of a separate Development Contributions Policy. Should development contributions be implemented a portion of revenue funds the interest cost on debt for growth related capital projects.

## Reserve funds

22. Reserve funds are used for the purposes that they were created. Reserve funds may be used to meet operating costs if the expenditure is consistent with the purpose of the fund.

## Borrowing

23. The Council's approach to Borrowing is documented in the Investment and Liability Management Policies. The Council generally plans to fund all cash operating costs from sources other than borrowing but may in specific circumstances, where it determines it is prudent to do so, fund some operating costs from borrowing.

## Rates

24. Having exhausted all other funding sources, Council funds its remaining operating expenses from rates. For many activities this is the main funding source.
25. The Council may establish general or targeted rates to fund operating costs.

## Summary of sources of funding for operation costs by activity

26. The above funding sources were considered when determining the funding required from all sources (including general rates or targeted rates) for each activity in the Funding Needs Analysis, as required by section 101(3)(a).
27. Table 1 shows the degree (expressed as a range) to which each funding source is used to fund operating costs in relation to each activity to be funded, as required by section 101(3)(a) of the LGA.
28. After the activity by activity analysis, the Council undertakes an analysis of the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community. The results of this analysis may vary the outcome of the activity by activity analysis.

29. The ranges in Table 1 are expressed as a percentage of the revenue budgeted to fund each activity and are indicative only. They may change over time because of changes in expenditure requirements. Actual funding sources may differ from the budgeted funding sources.

Table 1: Operating Funding by Activity	User charges	Grants, subsidies & other	Invest. Income	Fin. and Dev. Contributions	Reserve Funds	Borrowing	General Rates	Targeted rates
Water Supply	0% -20%	0%	0% -20%	0%	0%	0%	0% -20%	80% - 100%
Wastewater	0% -20%	0%	0% -20%	0%	0%	0%	0% -20%	80% - 100%
Stormwater	0% -20%	0%	0% -20%	0%	0%	0%	0% -20%	80% - 100%
Waste Management	20% -40%	0%	0%	0%	0%	0%	0% -20%	40% - 60%
Airport	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Parking	0%	0%	0%	0%	0%	0%	100%	0%
Roading	0%	60% - 80%	0%	0%	0%	0%	20% -40%	0%
Camping Grounds	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Cemeteries	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Community Centre	0%	0%	0%	0%	0%	0%	80% - 100%	0%
Community Support	0%	0% -20%	0%	0%	0%	0%	80% - 100%	0%
Library	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Memorial Hall	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Parks and Reserves	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Resource Planning	0% -20%	0%	0%	0%	20% -40%	20% -40%	40% - 60%	0%
Environmental Health	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Building Control	40% - 60%	0%	0%	0%	0%	0%	40% - 60%	0%
Liquor Control	40% - 60%	0%	0%	0%	0%	0%	60% - 80%	0%
Bylaw Compliance	40% - 60%	0%	0%	0%	0%	0%	40% - 60%	0%
Community Representation	0%	0%	0%	0%	0%	0%	100%	0%
Māori Relationships	0%	0%	0%	0%	0%	0%	100%	0%
Economic Development	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Gaiety Theatre	80% - 100%	0%	0%	0%	0%	0%	0% -20%	0%
Visitor Information	0% -20%	0%	0%	0%	0%	0%	80% - 100%	0%
Pensioner Housing	100%	0%	0%	0%	0%	0%	0%	0%
Property	0% -20%	0% -20%	0% -20%	0%	0%	0%	80% - 100%	0%
Funds Management	0%	0%	100%	0%	0%	0%	0%	0%

## Funding sources for capital costs

30. Capital costs are those costs associated with the purchase and improvement of assets, and the repayment of debt. The funding sources for capital costs and Council's policies in respect of the funding of this expenditure are described in the sections that follow.

### User charges

31. User charges are not often used for capital costs as individual user contributions would generally be too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of collecting user contributions for capital costs.
32. The Council may charge for capital works that are for private benefit (such as, a network extension to a single dwelling) or where capital works are undertaken outside of Asset Management Plans at the request of individuals (for example, a rural seal extension for dust suppression).

### Grants, subsidies, and other income

33. The Council relies on significant subsidies for capital works relating to our transport activity. Grants and subsidies may be available for other activities from time to time.
34. Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital costs could include bequests, insurance claims, and legal settlements.
35. Grants, subsidies and other income are used wherever they are available.

### Development contributions

36. Development Contributions (DCs) fund capital costs necessary to service growth. This policy permits the collection of DCs should Council adopt a separate Development Contributions policy.

### Financial contributions

37. Financial contributions are collected under the Resource Management Act 1991 to avoid, remedy or mitigate adverse effects on the environment as conditions to resource consents. The requirements for these contributions are outlined in the District Plan. Contributions may be received in cash or as revenue by the vesting of assets.

### Proceeds from the sale of assets

38. From time-to-time, assets are disposed of. Usually these are low value items and the revenue is allocated to the activities that the assets were used in. In the case of short-life assets these proceeds would normally contribute to the cost of their replacement.
39. The Council holds some higher value assets for investment purposes which, although not budgeted for, could be sold. Unrestricted proceeds from the sale of these assets would be used to repay debt or supplement the corresponding asset replacement reserves, unless otherwise resolved. Restricted revenues would be placed in the appropriate reserve fund and used for the purpose required by the document that imposes the restriction.

### Reserve funds

40. Reserve funds for capital projects are held and the funds are used when a project meets the specific criteria for accessing the reserve. This includes renewal funding derived from rates for operating costs such as depreciation and other accounting provisions.

### Borrowing

41. The Council borrows to fund its asset programme. The amount of borrowing available is restricted by the debt limits set in the Financial Strategy.
42. Borrowed funds, both the principal and interest (an operational cost), are generally repaid by future rates.

43. Borrowing spreads the cost of the project over a longer period of time, smoothing changes in rates and ensuring that future ratepayers who will enjoy the benefit of long-lived assets contribute to their costs.

#### Lump sum contributions

44. When undertaking a major project, there is an option to seek lump sum contributions to the capital cost of the project from those who are identified in the projects "capital project funding plan". Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have restrictions placed on how they are used. Where a lump sum payment option is proposed ratepayers may choose to pay the lump sum or not. If not, the rating unit will be liable to pay any targeted rate set to recover the loan costs.

#### Rates

45. Rates are mostly used to fund everyday expenses including depreciation and interest costs related to borrowing.
46. A portion of rates funds the capital (principal) repayments of debt.
47. Council may establish targeted rates to fund specific capital projects where there is a benefit of separate funding.
48. Council holds reserve funds for capital expenditure. Some of which has been sourced from rates.

#### Summary of sources of funding for capital costs by activity

49. Funding of Capital costs will be determined via the same principles as the operating costs funding policy unless the Council resolves otherwise. Such a resolution will follow the funding guidelines and in doing so will be consistent with this policy and not require an amendment to the policy. Existing projects (projects resolved prior to the adoption of this policy) will be funded according to the Annual Plan, Long-Term Plan or other resolution made at the time the Council approved the project. It is not practicable to determine a funding policy for all unknown future projects. The main difference is that it is the purpose of the expenditure will have more bearing on the funding available. Capital projects are often large in nature and will provide benefits over many years, and the funding approach must reflect this.
50. The Council uses the following guidelines when considering the funding of capital projects:
  - a. A Funding Needs Analysis will be completed where the project is not included in the capital works programme or is additional to planned services, or where its inclusion impacts on Council's overall funding capacity.
  - b. All projects are first funded from grants, subsidy or other external income where available.
  - c. Renewal projects that maintain the same service level are then funded from reserve funds set aside for that purpose.
  - d. General purpose funds or unrestricted reserve funds held for other complementary purposes are considered.
  - e. Lump sum rating options are considered.
  - f. Projects that have exhausted previous funding sources or are for new or increased service levels or for growth in infrastructure are then funded from debt.
51. A single project may have a mix of each of these funding options.
52. It is not practical to create separate funding policies for each and every capital project. The Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity.
53. Whenever funding a capital project, the Council will consider the available sources of funds, the Revenue and Financing Policy, and section 101(3) in applying the above guidelines to a capital project. Generally, the Council will resolve the funding policy at the time the project is proposed in an Annual or Long-Term Plan.

#### Overall funding consideration

54. The Council is required by section 101(3)(b) of the LGA to consider “the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community”. This section allows that as a final measure, we may modify the overall mix of funding that would otherwise apply after the initial s101(3)(a) analysis for each activity to be funded.
55. The following adjustments can be made:
- a. The allocation of the rates liability between sectors of the rating base may be altered by using differentials on the general rate and certain targeted rates. The allocations in this Long-Term Plan were determined by the Council after consultation with the community in 2020. The Council may modify the differential factors during the term of the Long-Term Plan to reflect a change in allocation of cost, or benefit, or to achieve better community outcomes or wellbeing.  
  
This adjustment included an additional allocation of cost to the forestry differential for all activities, rather than just the incremental cost previously allocated from roading activities. The Council has decided this allocation to increase the rates to this sector is appropriate because of comparative negative community wellbeing impacts on the Wairoa community.
  - b. Rates affordability (people’s ability to pay rates) is an issue in parts of the region. Adjustments to limit the impact of fixed rates on lower value rating units were made so that rates are more affordable for lower value rating units.
  - c. Fees and charges may be waived or discounted where it is considered appropriate to do so. Some matters we may consider in deciding whether it is appropriate to waive fees are for social reasons (e.g., the promotion of events and facilities) or commercial reasons (e.g., due to poor service or to minimise risk).
  - d. Rates may be remitted where it considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policies (including Māori Freehold Land). These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (such as additional or no provision of some services).

## Relief during Severe Weather Event Response and Recovery

56. Council considers that the tools described in section 55 above, when applied in conjunction with bespoke funding and relief packages that become available during emergency response and recovery conditions, are sufficient in providing an adequate baseline level of financial relief to affected customers and ratepayers. Council will consider supplementing this with other mechanisms where it believes this is appropriate.

## Rates

- a. The Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years to smooth the cost to users and ratepayers.
  57. Our final consideration of funding by rates comes:
    - a. After considering how other funding sources will be used to fund operating and capital costs.
    - b. how rates have been applied to activities in the Funding Needs Analysis; and/or
    - c. After being adjusted for the overall impact of allocation of liability.
  58. The following section outlines the Revenue and Financing Policy requirements that are used to set rates. To have a full understanding of rates they should be read with regards to the analysis above and in conjunction with the Rating Policy, Funding Impact Statement and Rates Resolution.

## General rates

59. The Council sets a general rate is assessed on all rateable properties (rating units) based on the capital value of the property. A Uniform Annual General Charge (UAGC) will be set on each separately used or inhabited part (SUIP) of all rating units.
60. The Council has determined in its Funding Needs Analysis which activities should be funded from general rates (see Table 1).
61. The Council has chosen to differentiate the General Rate into four rating categories, applying 6 rating differentials, based on the use to which the land is put. In respect of residential land, Council observes the provisions of s101(3)(b) of the LGA and the overall impact of the allocation of liability for revenue needs on the community. In doing so it has determined that the application of 3 rating differentials to land categorised as residential for rating purposes is appropriate. The General Rate will be assessed on capital value of the land. The factors to be applied to all differentials and the thresholds for the residential differentials will be determined in the Funding Impact Statement
  - a. Residential will be
    - i. Residential A
    - ii. Residential B
    - iii. Residential C
  - b. Commercial.
  - c. Rural.
  - d. Forestry.
62. The Council primarily uses valuation data (specified in the Rating Valuations Rules) to determine the allocation of rating units to differential rating categories. The full definitions can be found in the Rating Policy and the Funding Impact Statement and may change during the term of the Long-term Plan.
63. In setting the differential categories, and the differential factors, the Council considered the requirements of the LGA and other considerations, including:
  - a. The activities funded by the general rate and the s101(3) considerations for the activities.
  - b. The impact of any change, or rate of change to the differential.
  - c. The views of those impacted by the differentials.
  - d. Other reasonable options, and the advantages and disadvantages of those options.
  - e. The overall impact of the differential on all ratepayers.



64. The UAGC is part of the general rates and is a fixed amount each year. The Council can set the UAGC based on an allocation of the cost of specific activities or at an amount the Council considers is appropriate. In past years, the Council has preferred to base the UAGC on the allocation basis. From 2021 the Council will set the UAGC at a level it considers appropriate.
65. The Council recognises the regressive nature of fixed rates. Rates affordability is a matter the Council considers when setting the UAGC. Council's remissions policies provide for some adjustment to UAGCs for properties where appropriate. During the term of this Long-term Plan the Council may adjust the UAGC as part of its rate setting process in order to improve community wellbeing for current and/or future communities.
66. If the cost allocation from activities (as described in the Rating Policy) is amended, or an adjustment is made to the UAGC to improve community wellbeing, the amount removed from the UAGC will remain part of general rates.

#### Targeted rates

67. Targeted rates are finalised when adopting the Funding Impact Statement in the Long-Term Plan or an Annual Plan. The Council may introduce new targeted rates, consistent with this policy, when setting rates in any year as documented in the respective year's Funding Impact Statement and Rates Resolution. The Council's requirement to consult is determined by s95A of the LGA.
68. The Council has chosen to have a small number of targeted rates and will provide transparency of how much a ratepayer's rates is contributing to activities by using better communication tools than the rates invoice. Information on targeted rates is listed in the Rating Policy, Rates Resolutions and Funding Impact Statement for each year.
69. The Council consulted on changes to targeted rates in its 2020 rates review, the outcomes of which are reflected in this and other relevant policies.

#### Preamble to Te Ture Whenua Māori Act 1993:

70. Council's main tools for ensuring it supports and promotes the retention of Māori land in the hands of its owners, their whānau and their hapū and to facilitate the development and utilization of that land for the benefit of the same are within its suite of rating and remission tools, particularly as they relate to Māori freehold land in multiple ownership, papa kāinga, and whenua rāhui.
71. This is furthered by ensuring that its Rating Information Database contains land classification and valuation information complies with the Local Government (Rating of Whenua Māori) Amendment Bill.

#### References

- The Funding Needs Analysis, required by section 101(3) of the LGA, provides the background and analysis to explain the funding decisions we have made. It is guided by the funding principles and choices of funding sources documented in the Revenue and Financing Policy.
- The Investment and Liability Management Policies place restrictions on the use of the proceeds from asset sales.
- The Rating Policy further clarifies funding requirements by documenting matters not included in this Revenue and Financing Policy. It includes definitions and, when applicable, maps for rating areas.
- The Funding Impact Statement is included in each Long-term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10. This statement shows the results of the detailed rates calculation for each year.

Together the above documents form the necessary components to lawfully charge under the LGA for our revenue requirements. We must also comply with other legislation regarding the setting of some fees and charges and the Local Government (Rating) Act 2002

for the setting of rates.

# Funding Needs Analysis

This policy does not form part of the Revenue and Financing Policy, it is a separate document that records the detailed application of s101(3). The Revenue and Financing Policy describes how the Council has complied with s101(3). A change in this document does not in itself change the Revenue and Financing Policy.

## Purpose and scope

1. The Funding Needs Analysis (FNA) provides the background and analysis to explain the funding decisions made by the Council.
2. To comply with section 101(3),<sup>1</sup> the Council must determine the appropriate sources of funding<sup>2</sup> for each activity. In determining this, they must take into consideration under s 101(3)(a):
  - a. *“The community outcomes to which the activity primarily contributes.*
  - b. *The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.*
  - c. *The period in or over which those benefits are expected to occur.*
  - d. *The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.*
  - e. *The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.”*
3. The legislation places no more or less weight or priority on any one of the factors listed in section 101(3)(a).
4. Having completed the above analysis, the Council must then consider under section 101(3)(b): *“The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.”*
5. The following sections document the matters and approaches the Council has taken to determine the funding needs of an activity and how that translates into the Council’s decision on the appropriate funding sources to be used.

## Previous reviews

6. The FNA was last reviewed in 2018, and Council retained its existing Revenue and Financing Policy included in the 2018-28 Long-term Plan (LTP).
7. The Council undertook a review and rewrite in 2020. Changes have been made reflecting the considerations of the Council as they considered the funding of activities in developing the 2021-31 LTP.

## Funding sources for operating costs

8. Operating costs are the everyday spending that maintains the services delivered by the Council. This includes corporate overheads, funded wear and tear on assets (depreciation) and interest costs of borrowing for capital projects.
9. The Council must consider the funding for each activity in a way that relates exclusively to that activity. Some activities may be best funded by user charges such as swimming pool entry fees, others with targeted rates and others from a general rate. Distinct funding may assist ratepayers or payers of user charges to assess more readily whether the cost of the service provided to them either directly or indirectly represents good value. They can also more easily determine

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<sup>1</sup> All references to legislation are to the Local Government Act 2002 (LGA), unless otherwise stated.

<sup>2</sup> The funding sources are listed in section 103 LGA and the Council’s preference for using funding sources is described in the Revenue and Financing Policy. how much money is being raised for the service and spent on the service.

10. The funding sources for operating and capital costs are:
- a. Fees and charges.
  - b. Grants and subsidies and fuel taxes.
  - c. Other income.
  - d. Investment income.
  - e. Financial contributions
  - f. Development contributions
  - g. Lump sum payments
  - h. Reserve funds.
  - i. Borrowing
  - j. Proceeds from the sale of assets
  - k. Rates
    - General rate
    - Targeted rates.
11. Each funding source and how the Council prefers to use that funding source for operating expenses is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

Table 1: Matters the Council considers in applying the legislation for operating expenses

Section 101(3)(a) - Step 1 reference	Matters Council might consider
<b>Community outcomes - s.101(3)(a)(i)</b>	<p>The Council determines which of its community outcomes an activity primarily contributes to.</p> <p>Council will consider how their funding choices will support the achievement of the community outcomes.</p>
<b>Distribution benefits - s.101(3)(a)(ii)</b>	<p>The distribution of benefits is given consideration by the Council. Determining benefit is inherently subjective.</p> <p>Where the Council considers there is a clearly identified direct relationship between users and the services provided then the Council will consider fees and charges or targeted rates.</p> <p>Where the Council considers the services provide a benefit to the community as a whole; is of a uniform nature; or where the Council is not able to identify a direct relationship between users and the service the Council will consider using general rates.</p>
<b>Period of benefit - s.101(3)(a)(iii)</b>	<p>For most operational expenses the benefit is received in the year the expense is incurred.</p> <p>For most activities depreciation (an operating expense) is cash funded from revenue sources and this is placed into reserve funds for the future renewal of assets.</p> <p>Some operational expenses (provisions) may have a benefit over multiple years and so the Council may choose to fund the activity over that period.</p>

<p><b>Who creates the need - s.101(3)(a)(iv)</b></p>	<p>Some services are provided because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>The Council may choose to target these people or organisations through fines, charges or rates.</p>
<p><b>Separate funding - s.101(3)(a)(v)</b></p>	<p>The Council must consider the practicalities of separate funding along with transparency and accountability.</p> <p>In some cases, while it may be desirable to charge individuals there may be no practical way of doing so.</p> <p>For all activities the Council is able to easily identify what proportion of operational expenses is recovered from each funding sources. In the case of rates the Council is able to inform individual ratepayers of their rates contribution to each activity using communication tools.</p>

12. Analysis for operating costs by activity is described in Schedule 1.

### Funding sources for capital costs

13. Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding sources for capital costs include:

- a. Fees and charges.
- b. Grants and subsidies and fuel taxes.
- c. Other income.
- d. Investment income.
- e. Financial contributions
- f. Development contributions
- g. Lump sum payments
- h. Reserve funds.
- i. Borrowing
- j. Proceeds from the sale of assets
- k. Rates
  - General rate
  - Targeted rates.

14. Each funding source and how the Council prefers to use that funding source for capital expenditure is described in detail in the Revenue and Financing Policy and is based on the analysis set out in this document.

### Analysis for capital costs by activity

15. Capital costs would be funded on the same principles as the operating costs funding policy, subject to the nature and purpose of the expenditure, unless the Council resolves otherwise. Such a resolution will follow the funding guidelines and in doing so would be consistent with this policy and would not require amendment to the policy. Planned projects will be funded according to the Annual Plan, Long-term Plan or other resolution at the time of the Council approving the project. It is not always practicable to determine a funding policy for an unknown future project in advance.

16. The Council uses the following guidelines when considering the funding of capital projects:

- a. A Funding Needs Analysis will be completed ( see paragraph 18).
- b. All projects are first funded from grants, subsidy or other income where available.
- c. Renewal projects that maintain the same service level are then funded from reserve funds set aside

- for that purpose.
- d. Reserve funds for other purposes that are not restricted are considered.
  - e. Lump sum and other rating options are considered.
  - f. Projects that have exhausted previous funding sources or are for new or increased service levels or for growth in non-network infrastructure are then funded from debt.
17. A single project may have a mix of each of these funding options.
  18. It is not practical to create separate funding policies for each and every capital project. The Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity.
  19. Whenever funding a capital project, the Council will consider the available sources of funds, the Revenue and Financing Policy, section 101(3) in applying the above guidelines to a capital project. Generally, the Council will resolve the funding policy at the time the project is proposed in an Annual or Long-term Plan. In undertaking this assessment, it shall have regard to the matters in table two.

Table 2: Matters the Council considers in applying the legislation for capital expenses

Headings -s.101 reference	Matters Council might consider
<b>Community outcomes - s.101(3)(a)(i)</b>	<p>The Council determines which of its community outcomes the capital project or activity contributes to.</p> <p>Council will consider how their funding choices will support the achievement of the community outcomes.</p>
<b>Distribution benefits - s.101(3)(a)(ii)</b>	<p>The distribution of benefits is expected to be the same as that for the operating costs of the activity in which it is funded unless the Council resolves otherwise. Determining benefit is inherently subjective.</p> <p>The Council may choose to target those people or organisations who primarily benefit through financial and development contributions, lump sum options or targeted rates.</p>
<b>Period of benefit- s.101(3)(a)(iii)</b>	<p>For most capital projects the benefit is received over the life of the asset. The Council will have regard to the equitable distribution of costs to each generation for the construction and renewal of the asset. For example, this may result in the Council not funding asset renewal while still funding debt.</p>
<b>Who creates the need- s.101(3)(a)(iv)</b>	<p>Some services are provided because the actions or inactions of individuals or groups create the need to undertake the activity.</p> <p>The Council may choose to target these people or organisations through financial contributions or targeted rates.</p>
<b>Separate funding- s.101(3)(a)(v)</b>	<p>The Council must consider the practicalities of separate funding along with transparency and accountability.</p> <p>In some cases, while it may be desirable to charge individuals there may be no practical way of doing so.</p>

For many smaller capital projects, it is not practical to have a separate funding policy. Where the Council does not resolve otherwise a capital project will be funded consistently with the funding mechanism adopted for the operating costs in the activity in which it is funded, and the purpose of the project.

### Funding bands

20. After considering the section 101(3)(a) components, the Council considers to what extent each of the funding sources can fund each activity. This guide is intended to be in place for the next three years before it is reviewed. As costs change over time, it is not possible to precisely determine the percentage allocated. For this reason, the Council has decided to band the percentages into the categories listed in table three.
21. The assessment in Schedule 1 identifies the most likely sources of funding an activity is budgeted to receive. In all cases, rates fund the balance of the activity after all other sources have been maximised. It is likely that from time to time the Council will be able to secure additional funding that may become available.
22. Budgets will normally be set within these ranges. These ranges are expressed as a percentage of the cost of the activity and are indicative only. They may change over time because of changes in expenditure rather than changes in revenue. It is also likely that actual funding sources will be different from budgeted funding sources.

Table 3: Funding bands

Name	Percentage range
<b>Unlikely</b>	0%
<b>Minimal</b>	0% - 20%
<b>Low</b>	20% - 40%
<b>Moderate</b>	40% - 60%
<b>High</b>	60% - 80%
<b>Most</b>	80% - 100%
<b>All</b>	100%

### Funding sources and rationale

23. The 'Rationale' column of Schedule 1 identifies which of the funding sources the Council plans to use in budgeting to fund the operating costs of each activity. It is determined by the Council after consideration of each clause of section 101(3)(a).
24. The assessment of the funding sources is a complex matter of weighing up the requirements of section 101(3)(a) with the available sources and the Council's preferences for using these sources. The Council has documented its rationale for choosing each the funding source in this Funding Needs Analysis and the Revenue and Financing Policy.
25. The funding source for an activity may be modified by the Council when it considers the requirements of section 101(3)(b). If this has occurred, it is considered as part of the overall funding considerations section in the Revenue and Financing Policy.

## Schedule One: Activity Funding Needs Analysis – operating costs

Group Activity: Transport						
Activity: Transport						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcome:</p> <ul style="list-style-type: none"> <li>Strong and prosperous economy</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Safe, supported and well-led community</li> </ul> <p>Our communities and business are connected to each other and to our markets by a safe efficient and integrated transport network.</p>	<p><b>Roading:</b> The roading network serves the whole district and everyone benefits.</p> <p>Roads are necessary to deliver export products to markets within Wairoa, New Zealand and the world. The district's economic prosperity is dependent on production from its rural catchment.</p> <p>Roads provide corridors for other utility providers such as power, communications, water and wastewater.</p> <p>Roads, street lighting, signage, and footpaths and parking are provided as a public good. Individuals and business benefit directly from access to property and facilities.</p> <p><b>Airport:</b> The provides quick access in and out of the region supporting business and emergency management.</p> <p>The availability of the airport serves the whole district, and everyone benefits.</p> <p>Individual uses receive a private benefit.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>There is an impact of the actions or inactions of others.</p> <p>Costs are driven by traffic volumes and size. Large vehicles, wear roads out more quickly than vehicles.</p> <p>The forestry industry places significant demand on the roading network for which Council incurs additional costs. The growth of the forestry industry is leading to greater roading damage.</p> <p>Airport users expect a consistent service level.</p>	<p>The whole community benefits from the roading network and airport, as such there is little advantage in having separate funding.</p> <p>The use of differential rating tools can easily adjust for sectors to make a varying contribution.</p> <p>There are few reasonably practicable options for charges in users directly for their use of or damage to the roads.</p> <p>Charging airport users for rents and landing fees is common and efficient.</p>	<p>Subsidies are primarily sourced from New Zealand Transport Agency (NZTA). Additional funding will be sourced whenever available (e.g., Provincial Growth Fund)</p> <p>Council also receives a small amount of regional petrol tax.</p> <p>Council maximises the amount of subsidy for the level of spending it approves.</p> <p>The whole district benefits from the roading network.</p> <p>The general rate allows for the differential allocation of benefit to sectors and adjustment of contribution for those whose actions cause additional costs and for advancing community outcomes.</p>	<p><b>ROADIING</b></p> <p><b>HIGH (60% - 80%)</b> Grants and subsidies. <b>LOW (20% - 40%)</b> General rate <b>UNLIKELY (0%)</b> All other funding sources.</p> <p><b>AIRPORT</b></p> <p><b>HIGH (60% - 80%)</b> General rates <b>MINIMAL (0% - 20%)</b> Fees and charges Other <b>UNLIKELY (0%)</b> All other funding sources</p>

Group Activity: Water						
Activity: Water						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Access to safe water that is managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>The communities that are reticulated with a public water supply are the beneficiaries. With extended dry seasons there is greater demand on Council's network for tanker water to be supplied to non-reticulated properties.</p> <p>The entire community benefits through better health, kai moana, recreation and the environment outcomes and having protection in the case of fire.</p> <p>This community benefit can be recognised with a general rates component in the funding.</p> <p>All property owners/residents/tourists benefit from receiving water and protection from any fire risk.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have a minor impact.</p> <p>There is considerable government intervention in the provision of safe, healthy, compliant drinking water.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p> <p>It also provides transparency on the cost of an essential service.</p>	<p>Those who (either directly or indirectly) benefit should pay.</p> <p>There are some water users where charging based on actual quantities is practical due to the location, size or the use of the property. Their share of costs is recovered by way of targeted water meter rates.</p> <p>The cost of the water supply and network is equalised across all non-metered connections within the district.</p> <p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p><b>MOST (80 - 100%)</b> Targeted rates</p> <p><b>MINIMUM (0% - 20%)</b> General rates Interest and dividend</p> <p><b>UNLIKELY</b> All other funding sources.</p>



**Group Activity: Wastewater**

**Activity: Wastewater**

Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Access to safe water that is managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>The collection, treatment, and disposal of wastewater are primarily a private benefit for people whose properties are connected to the schemes. Rural septic tank septage is transported to council wastewater treatment ponds.</p> <p>The protection of the environment is a benefit to the serviced communities.</p> <p>The entire community benefits through better health, kai moana, recreation and the environment outcomes.</p> <p>The benefits are expected to accrue primarily to individual users and businesses.</p> <p>There is a public health, environmental and recreational benefits are to whole district. This community benefit can be recognised with a general rates component in the funding.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>A small number of heavy commercial producers have an adverse impact greater than most users.</p> <p>There is considerable government intervention in the provision of safe, healthy, compliant wastewater systems.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p> <p>It also provides transparency on the cost of an essential service.</p>	<p>In most cases it is not practicable to measure the quantity of each individual's contribution to the wastewater system.</p> <p>In the case of heavy commercial users of the waste system it is practical to measure the volume and quality of waste and charge appropriately for this.</p> <p>Those who (either directly or indirectly) connected targeted rate per pan is an efficient and simple way that approximates benefit of access and use of the services.</p> <p>Septage tankers are not paying the full cost of treatment recognising the wider community health benefits.</p> <p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p><b>MOST (80% - 100%)</b> Targeted rates</p> <p><b>MINIMAL (0% -20%)</b> General rates Fees and charges Interest and dividends</p> <p><b>UNLIKELY</b> All other funding sources.</p>

Group Activity: Stormwater						
Activity: Stormwater						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>With forecast increase in heavy rain events collecting and managing stormwater protects houses, businesses and infrastructure. It must be managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>The collection, treatment and disposal of stormwater are primarily a community benefit in serviced communities.</p> <p>This benefit extends to the wider community as it includes protection of the environment and an accessible roading network.</p> <p>Some individual properties or groups of properties benefit from not being flooded.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• To individual properties</li> <li>• The whole community</li> </ul>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of individuals in increasing hard surfaces on properties increases stormwater volumes.</p> <p>There is considerable government intervention in the provision of safe, healthy, compliant wastewater systems.</p> <p>The Freshwater NPS will put more pressure on treating stormwater.</p>	<p>There is no practical way to charge individuals or groups for any direct benefit.</p> <p>Urban stormwater networks are funded from a mix of general and targeted rates reflecting the benefit to property owners in an urban area and the wider community benefit of stormwater managed on the road corridor.</p> <p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p>There is no practical way to charge individuals or groups for any direct benefit.</p> <p>Urban stormwater networks are funded from a mix of general and targeted rates reflecting the benefit to property owners in an urban area and the wider community benefit of stormwater managed on the road corridor.</p> <p>A portion of the cost benefits the whole district and can be recovered in the general rate.</p>	<p><b>MOST (80% - 100%)</b> Targeted rates</p> <p><b>MINIMAL (0% -20%)</b> General rates Interest and dividends</p> <p><b>UNLIKELY</b> All other funding sources.</p>

Group Activity: Waste Management						
Activity: Waste						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Managing waste assists houses and businesses. It must be managed with cultural and environmental sensitivity is essential to community wellbeing.</p>	<p>Individuals benefit directly from kerbside recycling and domestic refuse collection.</p> <p>The whole community benefits from waste minimisation and education as well as litter collection.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• Primarily to individual users</li> <li>• Partly to the district as a whole</li> </ul>	<p>The benefit of most operating costs is expected to occur in the year the funding is sourced.</p>	<p>This activity is only required due to the act of creating waste.</p> <p>Those who create the waste are individuals and business.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's expenditure on this activity.</p>	<p>The actions of individuals or groups (largely business) create the need to have this activity.</p> <p>Targeted rates appropriately recognise this benefit.</p> <p>The whole community benefits from litter collection of public places can be appropriately funded from general rates.</p> <p>The fees and charges at landfills and transfer stations (where Council provides the services), only partially funds the cost of disposal.</p> <p>Higher fees and charges encourage those who create the waste recognise the cost of their actions and encourage waste reduction.</p> <p>There is also a small benefit to the whole community of this activity with waste not dumped elsewhere</p>	<p><b>MODERATE (40% - 60%)</b> Targeted rates</p> <p><b>LOW (20% - 40%)</b> Fees and charges</p> <p><b>MINIMAL (0% -20%)</b> General rates Other</p> <p><b>UNLIKELY</b> All other funding sources.</p>

Group Activity: Leadership and Governance						
Activity: Community Representation						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Local people making local decisions requires balancing the conflict needs of individuals for the overall benefit of the whole community</p>	<p>The activity supports the decision-making function of Council and therefore benefits the community as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p>	<p>Council considers that there is little benefit of separately funding this activity.</p>	<p>The benefits of this activity are available to the whole community; the majority of electors are ratepayers.</p>	<p><b>All (100%)</b> General rates <b>UNLIKELY</b> All other funding sources.</p>
Activity: Māori Relations						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Valued and cherished culture</li> <li>• Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Strong and prosperous economy</li> <li>• Protected and healthy environment</li> </ul> <p>Māori are 66% of the community, having strong relations with Māori it is essential to community wellbeing.</p>	<p>The activity supports the decision-making function of Council and therefore benefits the community as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p>	<p>Council considers that there is little benefit of separately funding this activity.</p>	<p>The benefits of this activity are available to the whole community.</p>	<p><b>All (100%)</b> General rates <b>UNLIKELY</b> All other funding sources.</p>
Activity: Economic Development						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Strong and prosperous economy</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Protected and healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Jobs are essential to population growth and the wellbeing of all in the community.</p>	<p>The activity supports the district promotion, visitor information including the I-site. Increased economic activity creates jobs and supports everyone and therefore benefits the community as a whole.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p>	<p>Council considers that there is little benefit of separately funding this activity.</p>	<p>The benefits of this activity are available to the whole community.</p>	<p><b>MOST (80%-100%)</b> General rate <b>MINIMAL (0%-20%)</b> Grants and Subsidies <b>UNLIKELY</b> All other funding sources.</p>

Group Activity: Planning and Regulatory						
Activity: Resource Planning						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>Protected and healthy environment</li> <li>Strong and prosperous economy</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Safe, supported and well-led community</li> <li>Valued and cherished culture</li> </ul> <p>District planning and consenting is essential to protecting environmental and cultural outcomes supporting a prosperous economy.</p>	<p>Individuals that apply for consents and use the other services in this area are the predominant beneficiaries of this activity. Through their actions they directly drive the majority of the costs.</p> <p>These resource consent activities also provide benefit to persons other than the applicant such as future owners and occupiers of the land (a property-based benefit). There is also a person-based benefit in relation to the information that is supplied to the public through inquiries, for example providing support to potential applications or responding to service requests.</p> <p>Future residents benefit from the protection of our environment and our response to climate change.</p> <p>Resource Consent Compliance Monitoring and RMA Enforcement benefits the consent holder and the community.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users.</li> <li>Partly to the district as a whole in support of the community outcomes.</li> </ul>	<p>The principal benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>There is a secondary benefit to future sustainability.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>A user charge recognises the benefits to people who apply for resource consents.</p> <p>Although the primary benefit of a resource consent sits with the consent holder the community outcomes desires that we have a strong prosperous economy and so, Council wants to encourage a high level of consent compliance.</p> <p>For these reasons Council considers it appropriate to fund a portion of the costs of consents from ratepayers rather than consent applicants.</p> <p>As future ratepayers benefit from the development of a district plan, the funding for this is spread over future years with borrowing.</p>	<p><b>MODERATE (40%-60%)</b> Borrowing General rate</p> <p><b>MINIMAL (0%-20%)</b> Fees and Charges</p> <p><b>UNLIKELY</b> All other funding sources.</p>
Activity: Building Control						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>Strong and prosperous economy</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Safe, supported and well-led community</li> <li>Protected and healthy environment</li> <li>Valued and cherished culture</li> </ul> <p>Safe homes and buildings improve the wellbeing of all in the community.</p>	<p>Individuals that apply for consents, licenses and use other services in this area directly drive the majority of the costs.</p> <p>Services within this activity also provide for the safety of the public, and requirements earthquake prone buildings.</p> <p>Information is supplied to the public through inquiries, for example providing support to potential applications or responding to service requests.</p> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>Primarily to individual users.</li> <li>Partly to the district as a whole.</li> </ul>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p> <p>There is a secondary benefit to future housing stock that is fit for purpose.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p>	<p>The distinct beneficiaries for each component support multiple funding streams.</p>	<p>Fees and charges are favoured for the full cost of LIMs and PIMS.</p> <p>Although the primary benefit of a building consent sits with the consent holder the Council wants to encourage growth and improvement of existing housing and businesses. For these reasons Council considers it appropriate to fund a portion of the costs of consents from ratepayers rather than consent applicants.</p>	<p><b>MODERATE (40%-60%)</b> General rate</p> <p><b>MINIMAL (0%-20%)</b> Fees and charges</p> <p><b>UNLIKELY</b> All other funding sources.</p>

Activity: Bylaw Compliance						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Strong and prosperous economy</li> <li>• Protected and healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>The community must feel a safe place to live. This part of a people's rationale when choosing where to live. Growing communities then support a growing a strong and prosperous economy.</p>	<p>Dog and livestock control minimise danger, distress and nuisance caused by stray dogs and to ensure the control of stock on the roads of the district in the interests of public safety.</p> <p>General Bylaw Enforcement:</p> <ul style="list-style-type: none"> <li>• Supports public health and safety and the enjoyment of public spaces.</li> <li>• Enforces the rules for users of roads, water, wastewater and cemeteries and for the impacts of urban fires.</li> </ul> <p>The benefits are expected to accrue:</p> <ul style="list-style-type: none"> <li>• Partly to individual users.</li> <li>• Partly to the district as a whole.</li> </ul>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p> <p>Particularly:</p> <ul style="list-style-type: none"> <li>• owners of dogs who create the requirement to manage all dogs.</li> <li>• Owners of non-controlled dogs and livestock</li> </ul> <p>Those who breach bylaws</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Fees and charges for Dog Control are largely collected in registration the owners of dogs in recognition that it is their action of owning a dog or then inaction of controlling a dog or stock that drives costs.</p> <p>Fees and charges (including fines and other enforcement charges) are required for no compliance of all bylaws.</p> <p>General rates recognise that a portion of these services benefit the whole community.</p>	<p><b>MODERATE (40%-60%)</b></p> <p>General rate</p> <p>Fees and charges</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>
Activity: Liquor Control						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Protected and healthy environment</li> <li>• Valued and cherished culture</li> </ul> <p>Liquor has positive and negative impacts on the community.</p>	<p>Liquor can only be sold with a license and the benefit of that license sits largely with the licensee.</p> <p>The community benefits from appropriate liquor control by limiting the negative effects from alcohol harm while maximising positive benefits in social environments</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p> <p>Particularly:</p> <ul style="list-style-type: none"> <li>• Applicants for liquor and associated licences</li> </ul> <p>Those who breach the rules.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p> <p>There is no mechanism for Council to charge those who create negative social outcomes.</p>	<p>Fees and charges for liquor licensing are set by Government and only recover part of the cost of the activity.</p> <p>Managing good social behaviours and eliminating adverse events is in the interest of the community as whole.</p>	<p><b>MODERATE (40%-60%)</b></p> <p>General rate</p> <p>Fees and charges</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>
Activity: Environmental Health						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> <li>• Strong and prosperous economy</li> <li>• Protected and healthy environment</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Valued and cherished culture</li> </ul>	<p>This activity promotes and improves human health, safety, comfort and wellbeing for all persons in the district and protects the environment from preventable harm.</p> <p>This activity comprises noise control, food and registered premises, water supply monitoring, public nuisances and implementation of public health frameworks.</p> <p>The main beneficiaries are business owners, consent holders, and the community as a whole.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals and groups drive the costs in this activity.</p> <p>Some activities are undertaken to protect others from the actions of others.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Fees and charges are preferred where the actions of individuals or groups of individuals create negative effects on the community and where there is a direct benefit to the user of the service.</p> <p>Council prefers a general rate for that portion of the budget that cannot be recovered from fees and charges due to these services contributing to the vibrancy of the district by making it safer.</p>	<p><b>MOST (80%-100%)</b></p> <p>General rate</p> <p><b>MINIMAL (0%-20%)</b></p> <p>Fees and charges</p> <p><b>UNLIKELY</b></p> <p>All other funding sources.</p>

The community must feel a safe place to live. This part of a people's rationale when choosing where to live . Growing communities then support a growing a strong and prosperous economy.

Group Activity: Community Facilities						
Activity: Cemeteries						
Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>Protected and healthy environment</li> <li>Valued and cherished culture</li> <li>Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Strong and prosperous economy</li> </ul> <p>Different cultures and circumstances contribute to different approaches to death. These are important social and cultural considerations in determining funding choices.</p>	<p>Cemeteries: Individual users, particularly families of the deceased.</p> <p>The community as a whole in the availability of well-maintained open space and as a repository of genealogical and other human interest or heritage information.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have some impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>Users of the services pay for their use of the facilities.</p> <p>There is no practicable way to charge for on-going maintenance that is therefore best funded from the general rate</p>	<p><b>MOST (80%-100%)</b> General rate</p> <p><b>MINIMAL (0%-20%)</b> Fees and charges</p> <p><b>UNLIKELY</b> All other funding sources.</p>
Activity: Parks and Reserves						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>Protected and healthy environment</li> <li>Valued and cherished culture</li> <li>Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Strong and prosperous economy</li> </ul> <p>Access to parks and reserves provide benefits of being active as well as creating environments for enjoyment.</p>	<p>There is a public/whole of community benefit through the provision of formal and informal recreational opportunities that enhance and support community health and well-being.</p> <p>There is a private/individual benefit to the community and sporting groups who use Council recreational facilities.</p> <p>There is a small benefit for event organisers and sections of the business community from the commercial spend of participants associated with particular events.</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>The actions of most individuals or groups have minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>There is no practical way to collect revenues from some individual benefit across this activity.</p> <p>Local residents enjoy the benefits of landscape amenity in their locality.</p>	<p><b>MOST (80%-100%)</b> General rate</p> <p><b>MINIMAL (0%-20%)</b> Other</p> <p><b>UNLIKELY</b> All other funding sources.</p>
Activity: Community Support						
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>Valued and cherished culture</li> <li>Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>Protected and healthy environment</li> <li>Strong and prosperous economy</li> </ul>	<p>The whole community benefits from the support of events, encouragement of participation and community facilities.</p> <p>These benefits are widespread across the district</p>	<p>The benefit of operating costs is expected to arise in the year the funding is sourced.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current</p>	<p>The actions of most individuals or groups have minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>The whole district benefits from the growth of community social and cultural wellbeing.</p> <p>External bodies will support the district to undertake this activity.</p>	<p><b>MOST (80%-100%)</b> General rate</p> <p><b>MINIMAL (0%-20%)</b> Grants and subsidies</p> <p><b>UNLIKELY</b> All other funding sources.</p>



Community support and development builds communities through empowering them to evolve develop and grow.	year and probably in future years. This is managed through reserve funds.
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**Group Activity: Corporate Functions**

**Activity: Property**

Community Outcomes	Distribution of Benefits	Period of Benefit	Whose Act Creates a Need?	Separate Funding	Rationale	Funding Sources by Funding Stream
<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Valued and cherished culture</li> <li>• Protected and healthy environment</li> <li>• Strong and prosperous economy</li> </ul> <p>Community support and development builds communities through empowering them to evolve develop and grow.</p>	<p>The activity supports the Council operations by providing and maintaining operational properties.</p> <ul style="list-style-type: none"> <li>• External income is derived from rents and leases for private benefit.</li> </ul>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p> <p>Annual funding is sourced from revenue for depreciation that is likely to be spent partially in the current year and probably in future years. This is managed through reserve funds.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>The benefits are available to individuals and groups is collected from rents and leases.</p> <p>The remainder of the benefit is to the whole community.</p>	<p><b>MODERATE (40%-60%)</b> General rate Fees and charges</p> <p><b>MINIMAL (0%-20%)</b> Grants and subsidies.</p> <p>Other</p> <p><b>UNLIKELY</b> All other funding sources.</p>

**Activity: Corporate Funds Management**

<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> </ul> <p>and is associated with Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Valued and cherished culture</li> <li>• Protected and Healthy environment</li> <li>• Strong and prosperous economy</li> </ul> <p>Community support and development builds communities through empowering them to evolve develop and grow.</p>	<p>The activity supports the Council operations by effectively managing all investments.</p> <p>The whole community benefits from this.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups have a minor impact on this activity.</p>	<p>Identifying separate funding assists in the accountability and transparency of Council's costs on this activity.</p>	<p>The benefit is to the whole community.</p>	<p><b>MOST (80%-100%)</b> Interest and dividends</p> <p><b>MINIMAL (0%-20%)</b> Regional Fuel Tax Fees and charges</p> <p><b>UNLIKELY</b> All other funding sources.</p>
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**Activity: Corporate Support Services**

<p>This activity primarily contributes to Council's outcomes:</p> <ul style="list-style-type: none"> <li>• Safe, supported and well-led community</li> </ul>	<p>The whole community benefits from this.</p>	<p>The benefit of most operating costs is expected to arise in the year the funding is sourced.</p>	<p>The actions of individuals or groups</p>	<p>Identifying separate funding assists in the accountability and transparency of</p>	<p>The cost of this activity is allocated to all other activities</p>	<p><b>ALL (100%)</b> Internal fees and charges</p>
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and is associated with Council's outcomes:

- Valued and cherished culture
- Protected and Healthy environment
- Strong and prosperous economy

Community support and development builds communities through empowering them to evolve develop and grow.

have a minor impact on this activity.

Council's costs on this activity.