

REVENUE AND FINANCING POLICY

Background

Section 102(4)(a) of the Local Government Act 2002 states that a local authority must adopt a revenue and financing policy. The revenue and financing policy must state:

- a) The local authority's policies in respect of funding operating expenses from the sources listed.
- b) The local authority's policies in respect of funding capital expenditure from the sources listed.

Alternative funding sources: Local Government Act 2002 - S (103(2))

The Funding Impact Statement from pages 121-130 provides detailed definitions, description and rating sectors for each of the targeted rates.

- General rates: which includes both a general (differential) rate and Uniform Annual General Charge (UAGC).
- The general rate is set and assessed on the land value of all rateable land in the district, on a differential basis based on location, area, land use and the activities that are permitted, controlled or discretionary for the area in which the land is situated as per the District Plan.
- The definition of the differential categories is set out in Section 6 of the Funding Impact Statement.
- Targeted rates
- Fees and charges
- Interest and income from investments
- Borrowings
- Proceeds from asset sales
- Development contributions
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies
- Any other sources

In considering which funding sources are appropriate for each activity, Council has considered (S(101(3)) of the Local Government Act:

- a) The promotion of community outcomes
- b) User/beneficiary pays – the distribution of benefits between the community as a whole, any identifiable part of the community and individuals
- c) Intergenerational equity – the period in or over which those benefits are expected to come
- d) Exacerbator pays – the extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity
- e) The costs and benefits of funding an activity in a different manner to the way other activities are funded, including consequences for transparency and accountability
- f) The overall impact on the current and future social, economic, environmental and cultural well-being of the community

Changes to Funding Mechanisms

The only significant change in the policy was inclusion of a new activity for the Westport Harbour.

Activity Group	Activity	ACTIVITY: What is the Community getting	Rationale for service	Community Outcome	Period of benefit	Benefit		Funding Mechanism Effective: 1 July 2018
						General Benefits	Private Benefits	
Governance	Democracy	<ul style="list-style-type: none"> Elected Representatives 	Statutory requirement Local Government Act 2002 Local Electoral Act 2001 and regulations	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Ongoing 	All can be involved in democratic representation Social cohesion and community focus Liaison with central government Equal access for all	Inangahua community benefits through separate board of Four members plus two Councillors	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> No capital spend
		<ul style="list-style-type: none"> Community Planning and Consultation 	The need for the Inangahua Community Board is created by the Inangahua Community Governance Structure for effective leadership, advocacy and accountable stewardship of the Council's assets and resources					
Community Services	Libraries	<ul style="list-style-type: none"> Library service 	Supports lifelong literacy and learning for different ages and needs. Council's provision of services allows all residents the opportunity for information, knowledge, recreation and leisure at a community facility.	<ul style="list-style-type: none"> Learning Who we are 	<ul style="list-style-type: none"> Ongoing Long term: <ul style="list-style-type: none"> Library books Library buildings 	Library facilities are provided for the entire community and enhance wellbeing.	Individuals who directly benefit from the service taking out books	Operating: <ul style="list-style-type: none"> 85-95% general rates 5-15% fees Capital: <ul style="list-style-type: none"> Loans Investments Depreciation reserves Grants
		<ul style="list-style-type: none"> Information service 				Better informed and educated community Equal access to all	Researchers	
		Economic Development and Marketing	<ul style="list-style-type: none"> Grants District Marketing Economic Development 	District Promotion and Marketing Agencies and Businesses Economic Development	<ul style="list-style-type: none"> Prosperity Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Improved economic benefit of district	Local business
	Museum Funding	<ul style="list-style-type: none"> Museums 	Funding for Museums and Heritage operations.	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Preserves important cultural history.	Community	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> Loan Depreciation reserves

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Community Services	Recreation Facilities	<ul style="list-style-type: none"> Swimming Pool at Reefton 	Users of facilities benefit from personal fitness and competition	<ul style="list-style-type: none"> Wellbeing Learning Who are we 	<ul style="list-style-type: none"> Ongoing 	Community benefits in providing options for people to exercise and relieve the pressure on the health system	Users of pool Users of gym, pool and sports recreational facilities.	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> Loans Investments Depreciation reserves 	
		<ul style="list-style-type: none"> Community Centre at Reefton which provides an indoor community and sports venue, and gym facilities 				Community benefits in providing options for people to exercise and relieve the pressure on the health system.			
		<ul style="list-style-type: none"> Pulse Energy Recreation Centre in Westport, which provides gym, pool and sports facilities 				The Pulse Energy Recreation Centre can be used to attract regional and national sporting events			Enhanced health and well-being of community.
	<td>Opportunities for recreation and leisure.</td> <td>Controlled safe environment for younger community.</td>	Opportunities for recreation and leisure.	Controlled safe environment for younger community.						
	Theatre	<ul style="list-style-type: none"> Live performance 	Theatre groups who use the theatre for performances	<ul style="list-style-type: none"> Who are we 	<ul style="list-style-type: none"> Ongoing 	Facility that can be used by all and enhances cultural well-being of district.	Groups who need a venue for live performances.	Operating: <ul style="list-style-type: none"> 30-45% fees - user pays 55-70% general rates Land valuation 	
	Movies	<ul style="list-style-type: none"> Movie goers School groups who use the theatre for performances 				<ul style="list-style-type: none"> Who are we 			<ul style="list-style-type: none"> Ongoing
	Reefton Service Centre	<ul style="list-style-type: none"> Council Services 	Reefton residents who require access to services	<ul style="list-style-type: none"> Who are we 	<ul style="list-style-type: none"> Ongoing 	Long Term: <ul style="list-style-type: none"> Building 	Reefton residents and visitors to the area	Individuals and businesses requiring information or transaction processing	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> Depreciation reserves

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Community Services	Reefton Post Office	<ul style="list-style-type: none"> Postal Services 	Reefton residents who require access to services	<ul style="list-style-type: none"> Who are we 	<ul style="list-style-type: none"> Ongoing Long Term: Building 	Reefton residents and visitors to the area	Individuals and businesses requiring postal agency information or transaction processing	<p>Operating:</p> <ul style="list-style-type: none"> 75-95% fees 5-25% general rates <p>Capital:</p> <ul style="list-style-type: none"> Depreciation reserves
	Community Development and Support	<ul style="list-style-type: none"> Provision of grants 	Volunteer organisations and individuals who want funding due to financial pressures	<ul style="list-style-type: none"> Who we are Learning 	<ul style="list-style-type: none"> Ongoing 	Grants paid to organisations benefit the whole community through improved facilities and cultural opportunities	Users of the services or facilities provided by grant recipients	<p>Operating:</p> <p>90-100% general rates</p> <p>0-10% grants</p> <p>Capital:</p> <p>No capital spend</p>
	Community Development and Support	<ul style="list-style-type: none"> Vision 2010 rural projects 	Council recognises that our rural communities face particular challenges in continuing to provide community services and facilities to their local populations. The Vision 2010 projects are designed to support local community initiatives to improve community facilities and projects that benefit residents.	<ul style="list-style-type: none"> Prosperity Who we are 	<ul style="list-style-type: none"> Ongoing 	The Vision 2010 projects are designed to support local community initiatives to improve community facilities and projects that benefit residents	Users of the community facilities	<p>Operating:</p> <p>100% general rates</p>
Regulatory Services	Resource Management Planning	<ul style="list-style-type: none"> District Plan - framework, regulation and control of subdivisions and land use. 	Council administers the responsibilities imposed under the Resource Management Act (RMA) relating to the use of land, air and water. This function requires the administration of the operative District Plan. The RMA Act places specific statutory functions on territorial authorities to promote the sustainable development of natural and physical resources.	<ul style="list-style-type: none"> Sustainable environment 	<ul style="list-style-type: none"> Ongoing Long Term: District Plan 	<p>Entire district - Regulations Monitoring benefits</p> <p>Contributes to the sustainable management and development of the district resources and of benefit to district as a whole</p>	Applicants for Resource Consents	<p>Operating:</p> <ul style="list-style-type: none"> 90-95% general rates 5-10% fees <p>Capital:</p> <ul style="list-style-type: none"> Depreciation reserves Loans

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Regulatory Services	Resource Management Consents	<ul style="list-style-type: none"> Resource Consents 	Legislation - RMA	<ul style="list-style-type: none"> Sustainable environment Wellbeing 	Ongoing	Entire district - Regulations Monitoring benefits.	Applicants for Resource Consents	Operating: <ul style="list-style-type: none"> 5-10% general rates 90-95% fees Capital: <ul style="list-style-type: none"> Depreciation reserves Loans
			Resource Consent Applicants			There is also an element of benefit to the whole district by ensuring planning and development is done in a co-ordinated and controlled manner.		
			Monitoring enforcement of land use.			Environment safeguards		
	Building Control	<ul style="list-style-type: none"> Building consents 	The Building Act 2004 places substantial statutory function requirements on territorial authorities. The activity ensures buildings meet the requirements of New Zealand Building Legislation.	<ul style="list-style-type: none"> Prosperity Wellbeing 	Ongoing	Benefit to the entire district of having safe buildings that comply with regulations.	Individuals who are building	
To provide high quality safe solutions to the community for their building needs			Public health and wellbeing					
Animal Control - Dogs	<ul style="list-style-type: none"> Dog licensing 	Legislation below requires territorial authorities to enforce certain statutory functions regarding dog control:	Wellbeing	Ongoing	Entire district: - Complaint service - Public safety	Those with dogs cause the problems.	Operating: <ul style="list-style-type: none"> 25% general rates 75% fees Capital: <ul style="list-style-type: none"> Depreciation reserves Loans 	
		- Dog Control Act 1996 - Impounding Act 1955						Long Term: <ul style="list-style-type: none"> Dog pounds
Animal control activities promote public welfare and safety	Individuals will have delegated exercise areas for dogs.							
Animal Control - Stock	<ul style="list-style-type: none"> Stock control 	Legislation below requires territorial authorities to enforce certain statutory functions regarding stock control.	Wellbeing	Ongoing	Entire district - Complaint service - Public safety	Those with stock cause the problems		Operating: <ul style="list-style-type: none"> 70-80% general rates 20-30% fees Capital: <ul style="list-style-type: none"> No capital spend
		Impounding Act 1955						
		Stock control activities promote public welfare and safety.						

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Regulatory Services	Environmental Health - Food Premises	<ul style="list-style-type: none"> Licensing of premises 	Legislation - Food Hygiene Regulations 1974 - Health Act 1956 The activity ensures the enforcement of safety legislation to protect members of our community from potential risk	<ul style="list-style-type: none"> Wellbeing Sustainable Environment 	<ul style="list-style-type: none"> Ongoing 	Entire district benefits from health and safety in business meeting standards The community as a whole benefits through control of infectious diseases and monitoring of environmental standards. The community includes local residents and visitors to the district	Individuals who require certification of their businesses	Operating: <ul style="list-style-type: none"> 65-75% fees 25-35% general rates Capital: <ul style="list-style-type: none"> No capital spend
	Environmental Health - Liquor Licensing	<ul style="list-style-type: none"> Licensing of Premises 	Sale and Supply of Alcohol Act 2012. Gambling Act 2003 The activity ensures the enforcement of safety legislation to protect members of our community from potential harm	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Entire district - Regulated opening times / venues Public health and safety	Individuals who require certification of their businesses	Operating: <ul style="list-style-type: none"> 75-90% fees 10-25% general rates Capital: <ul style="list-style-type: none"> No capital spend
	Environmental Health - Noise	<ul style="list-style-type: none"> Noise complaints serviced 	This is driven by legislation via the Resource Management Act (RMA). People are not allowed to make 'excessive' noise and must ensure that noise from their property does not reach an 'unreasonable' level. Address nuisance activities	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Health benefits from reduced noise levels	Promotion of a pleasant environment for the community No hazards from excessive noise levels	Operating: <ul style="list-style-type: none"> 90-95% general rates 5-10% fees Capital: <ul style="list-style-type: none"> No capital spend
	Environmental Health - General Inspection	<ul style="list-style-type: none"> Freedom camping and illegal littering monitoring and investigation 	This activity ensures compliance and enforcement of the Council regulations and by-laws that control these activities.	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Provides control over the impact of freedom camping within the district. Ensures public spaces are litter free and pleasant environments for the public to enjoy.	Freedom camping does not clash with other recreational activities No hazards from litter.	Operating: <ul style="list-style-type: none"> 90-95% general rates 5-10% fees Capital: <ul style="list-style-type: none"> Depreciation reserves

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Regulatory Services	Environmental Health - General Inspection	<ul style="list-style-type: none"> General compliance 	This activity encompasses all other compliance not detailed elsewhere in this policy.	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	It includes development and review of compliance documents.	Promotion of a pleasant environment for the community.	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> No capital spend
	Emergency Management	<ul style="list-style-type: none"> Training of Civil Defence staff and volunteers Civil Defence preparedness and response 	This activity is fundamental to achieving community preparedness for emergencies. There is a requirement for this activity as per the Civil Defence Emergency Management Act 2002. It ensures public safety and ensures that there are adequate plans to respond to hazards, risks and emergencies. It also ensures that there are sufficient trained personnel and response measures in place during an emergency.	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Provides certainty and assurance to public that Council are prepared to meet impact of natural disaster	Individuals requiring assistance during an emergency	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments
Property	Reserves	<ul style="list-style-type: none"> Parks Sports grounds Reserves Playgrounds Beach areas 	<p>Provides the community with recreation facilities and relaxation areas</p> <p>Create a pleasant environment for the community.</p>	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Land Playground equipment 	<p>Use of parks is for public enjoyment</p> <p>Promotion of a pleasant environment for the community.</p> <p>Beauty and image of Buller district is enhanced</p> <p>Enhanced health and wellbeing</p>	Users of parks and reserves facilities	Operating: <ul style="list-style-type: none"> 90-100% general rates 0-10% fees Capital: <ul style="list-style-type: none"> Reserve contributions Loans Depreciation reserves Investments

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Property	Public Toilets	<ul style="list-style-type: none"> Toilet facilities 	The provision of toilet facilities promotes the health and wellbeing of the district and environment.	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Buildings 	Public - non-exclusivity Health and wellbeing of community	Individuals using facilities	<p>Operating:</p> <ul style="list-style-type: none"> 100% general rates <p>Capital:</p> <ul style="list-style-type: none"> Loans Depreciation reserves Investments
	Cemeteries	<ul style="list-style-type: none"> Interment facilities Cemetery reserve Records enquiry service 	<ul style="list-style-type: none"> Burial and Cremation Act 1964 	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Land 	Community as a whole benefits from availability of interment facilities Availability of heritage records	Benefit for family of person interned	<p>Operating:</p> <ul style="list-style-type: none"> 75-85% general rates 15-25% fees <p>Capital:</p> <ul style="list-style-type: none"> Loans Depreciation reserves Investments
	Property - Community	<ul style="list-style-type: none"> Community halls 	<ul style="list-style-type: none"> Community and civic buildings provide for a diverse range of community activities 	<ul style="list-style-type: none"> Wellbeing Who we are 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Buildings 	All benefit from public buildings	Groups using halls	<p>Operating:</p> <ul style="list-style-type: none"> 90-100% general rates 0-10% fees <p>Capital:</p> <ul style="list-style-type: none"> Loans Depreciation reserves Investments
	Elderly Persons Housing	<ul style="list-style-type: none"> Housing for the Elderly 	Provision of housing for the elderly assists our senior citizens to maintain their independence and remain in the community	<ul style="list-style-type: none"> Wellbeing Who we are 	<ul style="list-style-type: none"> Ongoing Long Term: <ul style="list-style-type: none"> Buildings 	Retaining the elderly within the community which retains our social character and mix	Tenants renting	<p>Operating:</p> <p>100% fees</p> <p>Capital:</p> <ul style="list-style-type: none"> Loans Depreciation reserves Investments

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Property	Harbour	<ul style="list-style-type: none"> Port facilities 	Services fishing fleet vessels and recreation commercial vessels	<ul style="list-style-type: none"> Wellbeing Prosperity 	<ul style="list-style-type: none"> Ongoing 	Provides a facility for the district benefit	Individuals using the facility	<p>Operating:</p> <ul style="list-style-type: none"> 40-60% general rates 40-60% fees <p>Capital:</p> <ul style="list-style-type: none"> Loans Depreciation reserves
	Property - Private	<ul style="list-style-type: none"> Property Management of leased property 	Management of leased land assists in the effective maintenance of Council's assets and facilities	<ul style="list-style-type: none"> Who we are 	<ul style="list-style-type: none"> Ongoing <p>Long Term:</p> <ul style="list-style-type: none"> Buildings 	All benefit from return on investment	Leasehold tenants	<p>Operating:</p> <ul style="list-style-type: none"> 100% fees <p>Capital:</p> <ul style="list-style-type: none"> Loans Depreciation reserves Investments
	Punakaiki Camping Ground	<ul style="list-style-type: none"> Holiday park accommodation for visitors 	Provision of an area for both passive and active recreation and enjoyment	<ul style="list-style-type: none"> Wellbeing Who we are 	<ul style="list-style-type: none"> Ongoing <p>Long Term:</p> <ul style="list-style-type: none"> Buildings 	All benefit from extra visitors and economic gain	Customers using the facility	<p>Operating:</p> <ul style="list-style-type: none"> 90-100% fees 0-10% general rates <p>Capital:</p> <ul style="list-style-type: none"> Loans Depreciation reserves Investments

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Roading and Transport	Roading	<ul style="list-style-type: none"> Roads Street lighting Footpaths Car parking spaces 	<p>Local Government Act 2002 Road Controlling Authority</p> <p>This activity ensures property access and freedom of travel and supports the sustainability of the community.</p>	<ul style="list-style-type: none"> Wellbeing Prosperity 	<ul style="list-style-type: none"> Ongoing <p>Long Term:</p> <ul style="list-style-type: none"> Road construction and renewals 	Sustainability of the community	<p>Individuals using the transport network</p>	<p>Operating:</p> <ul style="list-style-type: none"> 34-36% general rates 64-66% NZTA subsidy 100% NZTA subsidy for special purpose roads (Karamea Highway) <p>Capital:</p> <ul style="list-style-type: none"> General rates NZTA subsidy Investments Loans
	Urban Development	<ul style="list-style-type: none"> Improving street and landscape in towns 	<p>More pleasant environment for our communities by use of planting, street treatment and decorative measures</p>	<ul style="list-style-type: none"> Who we are 	<ul style="list-style-type: none"> Ongoing <p>Long Term:</p> <ul style="list-style-type: none"> Landscaping 	Promotion of a pleasant environment for the community	<p>Benefit from access to property and access to facilities</p> <p>Improved safety of roads</p>	
Water Supplies	Community Water Supplies	<ul style="list-style-type: none"> Supply of water 	<ul style="list-style-type: none"> Community health, safety and development. Provision of water supplies is a core function of Local Government 	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing <p>Long Term:</p> <ul style="list-style-type: none"> New schemes / renewals 	<p>Supply of water for public toilets.</p> <p>Fire fighting supply.</p>	<p>Residents able to be connected to supply.</p>	<p>Operating:</p> <ul style="list-style-type: none"> 100% targeted rates Metered water charges for major users <p>Capital:</p> <ul style="list-style-type: none"> Targeted rate Subsidies Loans Investments Depreciation reserves

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Solid Waste	Refuse Collection & Recycling, Litter and Landfill Operations	ZONE 1 - Westport <ul style="list-style-type: none"> Provide waste management disposal facilities 	<ul style="list-style-type: none"> Necessary for the health and quality of life in the community. Ensure that refuse is managed and disposed of in an efficient and sustainable manner. 	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Better environment Public health	Those using collection the service	Operating: <ul style="list-style-type: none"> 80-95% targeted rates 5-20% other income (fees and charges) Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments
		ZONE 2 - Karamea <ul style="list-style-type: none"> Provide waste management disposal facilities 	<ul style="list-style-type: none"> Necessary for the health and quality of life in the community. Ensure that refuse is managed and disposed of in an efficient and sustainable manner. 	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Better environment Public health	Those using collection the service	Operating: <ul style="list-style-type: none"> 80-95% targeted rates 5-20% fees and charges Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments
		ZONE 3 - Maruia <ul style="list-style-type: none"> Provide waste management disposal facilities 	<ul style="list-style-type: none"> Necessary for the health and quality of life in the community. Ensure that refuse is managed and disposed of in an efficient and sustainable manner. 	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Better environment Public health	Those using collection the service	Operating: <ul style="list-style-type: none"> 80-95% targeted rates 5-20% fees and charges Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments

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Solid Waste	Landfill Operation	<ul style="list-style-type: none"> Landfill development and monitoring 	Ensure that capacity exists for residual waste and recycling if it cannot be disposed at the Nelson facility.	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Community facilities for rubbish disposal.	Residents able to dispose of unwanted rubbish	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> Loans Depreciation reserves Investments
		<ul style="list-style-type: none"> Close landfills, monitor and rehabilitate 	Ensure that refuse is managed and disposed of in an efficient and sustainable manner that maintains the districts natural and aesthetic values	<ul style="list-style-type: none"> Wellbeing 	Long Term: <ul style="list-style-type: none"> Buildings Land 	Better environment.		
	Litter	<ul style="list-style-type: none"> Litter collection 	Necessary for health and quality of life in communities, and disposed of in an efficient manner	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Public health		
Wastewater/Stormwater	Sewerage	<ul style="list-style-type: none"> Disposal of sewerage 	Necessary for health and quality of life in the community	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Community health and wellbeing	Residents able to be connected to sewer	Operating: <ul style="list-style-type: none"> 100% targeted rates Trade waste fees Capital: <ul style="list-style-type: none"> Depreciation reserves Investments Loans
		<ul style="list-style-type: none"> Disposal of trade waste 				Long Term <ul style="list-style-type: none"> New schemes / renewals 	Maintains sanitation	
Wastewater/Stormwater	Stormwater	<ul style="list-style-type: none"> Collect and transport land drainage from property 	Protection of property Health and safety as it reduces danger from flooding	<ul style="list-style-type: none"> Wellbeing 	<ul style="list-style-type: none"> Ongoing 	Public health benefit Continuity of access to property	Urban properties benefit due to density of roading and footpaths Drainage protection Open drains in rural area	Operating: <ul style="list-style-type: none"> 100% general rates Capital: <ul style="list-style-type: none"> Loans

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						General Benefits	Private Benefits	
Support Services	Corporate Services	<ul style="list-style-type: none"> General staff and administration services 	<ul style="list-style-type: none"> Implement and support of all Council activities 	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Ongoing Long Term <ul style="list-style-type: none"> Office Equipment 	Benefits community at large		Overheads reallocated to other activities Capital: <ul style="list-style-type: none"> Depreciation reserves Loans Investments
	Information Systems	<ul style="list-style-type: none"> Computer systems Telecommunication networks 	<ul style="list-style-type: none"> Availability of information and systems to support all Council activities and enable sound decision making. 	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Ongoing Long Term <ul style="list-style-type: none"> Computer systems 	Benefits community at large	Individuals accessing databases and information	Overheads reallocated to other activities Capital: <ul style="list-style-type: none"> Depreciation reserves Loans Investments
In-House Professional Services		<ul style="list-style-type: none"> Engineering Services 	<ul style="list-style-type: none"> Council access to engineering services on a cost effective basis. 	<ul style="list-style-type: none"> All 	<ul style="list-style-type: none"> Ongoing 	Benefits community at large		Overheads and internal charges reallocated to other activities Capital: <ul style="list-style-type: none"> Depreciation reserves Loans Investments
Airport	Westport Airport	<ul style="list-style-type: none"> Airport Services 	<ul style="list-style-type: none"> Public Transportation 	<ul style="list-style-type: none"> Prosperity 	<ul style="list-style-type: none"> Ongoing Long Term <ul style="list-style-type: none"> Buildings Land 	Economic benefit to all Social and heritage value	<ul style="list-style-type: none"> Commercial / individual users benefit 	Operating: <ul style="list-style-type: none"> 75-80% fees The balance is funded: <ul style="list-style-type: none"> 50% general rates 50% by the Crown Capital: <ul style="list-style-type: none"> Depreciation reserves 50% funded by the Crown

Ratepayers are currently rated on a system that uses Land Values as the basis for General Rates

User charges are used for those services where there is a benefit to an individual. If it is possible to efficiently impose a charge the Council does so, on the basis of either recovering the full cost of the service or a rate that the market will pay. The market rate can limit the potential for charging in circumstances where the Council believes that a charge set too high will adversely reduce use.

General rates are used to fund those services where the council believes there is a public benefit even though it may not be to the whole community. It typically funds “public goods” for which there is no practical method for charging individual users as the benefit is wider than just specific users. General rates fund a range of services which are used by individual ratepayers to varying extents. The council uses the general rate rather than a number of targeted rates in order to achieve a simpler rating structure. That simpler structure makes it easier for ratepayers to understand how they are being rated and it is also simpler and cheaper to administer. Rates are regarded as a tax which funds the collective community benefit rather than be any form of proxy for use of a service. Differentials are only used to ensure that other rates mechanisms do not alter the incidence in rates between the major rate payer groups

Targeted rates are also used to fund community benefits and wider public goods. A targeted rate means a rate to be used exclusively to pay for that operating expense. It is used in circumstances where the council believes that the benefits from the services are such that the principles of a general rate approach (noted above) are not sufficient and that they should be targeted to a particular beneficiaries group. It is also used where the council considers that the level of charge is outside council’s control and the extent of the rate should be clear to the community.

Grants and subsidies are used where they are available.

Borrowing is not generally used to fund operating expenses, but is used as a tool to smooth out major lumps in the capital replacement and acquisitions programme. The council may choose to borrow for an operating expense to give a grant to a community organisation that is building a community facility.

Income from dividends, interest and net rental income is used to offset the cost of provision of other services. Income from interest and dividends is included as revenue in the investments and governance activity. This revenue is utilised to reduce Council’s general rates income stream.. Income from rental of property is applied to the activity which is the primary user of a facility, if the property does not have a primary use but is held for commercial or strategic purposes the rental is included investments and governance activity, and is applied to general purposes.

Licence fees are charged where they are available as a mechanism. They are set as for user charges but may have constraints on the level of the fee. These constraints are established under various legislation.

Enforcement fees are charged when possible. The purpose of the fee is to promote compliance rather than to raise revenue, at times enforcement fees will recover the full cost and at other times it will not depending on the level of compliance and also the extent to which the charges are limited by statute or the courts.

Funding of Capital

Rates in all forms will be used to fund an ongoing replacement programme and may be used to fund a portion of capital acquisition work. This will be balanced against the affordability for the current ratepayers and the extent to which a capital replacement or acquisitions programme is even over the period of the plan. Over the period of the plan the council will get to the point where asset renewals are being met from operating revenue, and also a contribution is being made to levels of service and growth capital.

Borrowing will be applied to capital works subject to the preceding statement on the use of rates. The council views debt as a smoothing mechanism and a means of achieving equity between time periods, however the council does not have an unlimited capacity to borrow and the community does not have unlimited capacity to service those loans into the future. Therefore, the council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest cost does not place an impossible burden on the community. In doing so the council is conscious of its peak debt and its ongoing funding stream for debt servicing and work programme.

In the early years of the plan the council is borrowing to fund asset renewals. This is being done to achieve a balance between the level of rates rises and the sustainability of service levels. In the later years of the plan the council achieves sustainable funding and borrows for part of the level of service and growth capital works. This is outlined in the Funding Impact Statement (pages 121-130).

Proceeds from asset sales may be used to fund capital works or repay debt. The preferred option will be for debt repayment with any new works funded from new debt draw down. This method is favoured due to its transparency and the neutral effect it has on rating. There is no major planned asset sales programme over the period of this plan, but assets which are no longer required for strategic or operational purposes may be sold.