Revenue and Financing Policy

OVERVIEW

This Revenue and Financing Policy explains how the New Plymouth District Council will fund the operating and capital expenditure for each Council activity, over the next 10 years. Rating systems must also comply with the Local Government (Rating) Act 2002.

The Policy outlines the revenue and funding sources available to the Council and details how and when the Council will use these sources. This gives the community some certainty as to how Council activities will be funded.

The Council must undertake services in a financially prudent and sustainable way for the Council and community as a whole. The Council decisions and rationale underpinning them are set out in this Policy. In accordance with the Local Government Act, 2002, section 101(3), in funding each activity the Council has considered:

- the community outcomes to which each activity primarily contributes;
- an analysis of who benefits from the activity;
- the period of time the benefits are expected to occur;
- whether the activity is needed in response to the action(s), or lack of action(s), of a particular person or group; and
- whether it would be more prudent for the activity to be funded separately or included with other activities.

The Council must also consider the overall impact of any allocation of liability for revenue needs on the community.

The Revenue and Financing Policy is reviewed every three years, during the development of the Long-Term Plan (LTP).

DEFINITIONS OF COUNCIL SERVICES FUNDING OPTIONS

The Local Government Act 2002 requires Council to meet its funding needs from a defined list of sources. The Council determines which of these are appropriate for each activity, considering equity between generations, fairness and affordability. Council seeks to maintain an affordable and predictable level of rates in the future.

General rates

General rates are rates applied to the entire rating base of the district. General rates have two components.

The first part is a Uniform Annual General Charge (UAGC), which is a flat charge levied from every separately used or inhabited part of a rating unit (SUIP) in the district.

The second part is a variable charge based on a property's land value. The variable component of general rates is set as cents per dollar of land value, which is assessed according to four differentials based on the following primary land use categories:

- Residential.
- Commercial/industrial.
- Small holdings.
- Farmlands.

Therefore, the level of rates paid by a landowner will depend on the land value and the differential category within which the property falls, as well as any targeted rates (see below). The rationale for these differentials is outlined in the *General Funding Policies* section.

SUIP

A SUIP is defined as a separately used or inhabited part of a rating unit. It includes:

- any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement; or

- any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

For the purpose of this policy, separately used or inhabited parts include:

- A residential, small holding, or farmland property that contains two or more separately occupiable units, flats or houses each of which is separately inhabited or is capable of separate inhabitation i.e. has independent kitchen facilities.
- A commercial premises that contains separate shops, kiosks, other retail or wholesale outlets, or offices, each of which is operated as a separate business or is capable of operation as a separate business.

Targeted rates

Targeted rates are set to recover the costs of providing services such as wastewater, refuse collection, disposal and recycling charges and swimming pool compliance. A targeted rate is levied only from those SUIPs that receive the service. For example, a household connected to the Council's water network is charged a targeted rate for water supply, but household using tank water is not.

The Council charges targeted rates in the form of uniform annual charges (flat rate) and demand-related charges.

Voluntary targeted rates

The voluntary targeted rate is used in cases where the Council provides financial assistance to property owners for particular capital projects, such as solar heating or insulation. The voluntary targeted rate is levied only from properties that receive Council assistance and is used to recover the borrowed amount and any administration costs.

Fees and charges

The Council levies over 1,000 fees and charges. Fees and charges are usually either full or part charges to recover the costs of delivering the services. Fees and charges are usually only set for services that a user has discretion to use or not, and where it is efficient for the Council to collect the fees and charges.

Interest and dividends from investments

The Council receives interest and dividends from short-term cash management and from its investments.

Borrowing

Borrowing is defined as taking on debt. The Council usually only borrows to fund long-lived capital assets.

Proceeds from asset sales

Proceeds from asset sales are the net sum received when physical assets are sold.

Development contributions

These are levies paid in accordance with the Council's Development Contributions Policy and the LGA 2002 to recover Council expenditure on reserves, community infrastructure and network infrastructure to meet increased demand resulting from new development. These levies can be used for capital expenditure for the purpose they were charged for, and may not be used to cover operational costs.

Financial contributions under the Resource Management Act

Financial contributions apply to holders of resource consents in the form of sums payable, or land transferred to the Council. These contributions are used to mitigate, avoid or remedy any adverse effects arising from subdivision or development. Note: In 2022, the ability to require financial contributions under the Resource Management Act 1991 will cease under the Resource Legislation Amendment Act 2017.

Grants and subsidies

These are payments from external agencies and are usually for an agreed, specified purpose. For the Council, the major source of grants and subsidies is the New Zealand Transport Agency (NZTA), which offers subsidies for road maintenance, renewals and improvements.

POLICY FOR FUNDING OPERATING AND CAPITAL EXPENDITURE

The Council has two types of expenses: operating expenditure and capital expenditure. Operating expenditure is used to fund the on-going day-to-day activities and services of the Council. Capital expenditure is money spent in acquiring or upgrading a business asset such as equipment or buildings. The Council has three categories of capital expenditure spread across its activities:

- Renewals - Defined as capital expenditure that increases the life of an existing asset with no increase in service level.
- Level of Service - Defined as capital expenditure that increases the service level delivered by the asset.
- Growth - Defined as capital expenditure that is required to provide additional capacity to cater for future growth in demand.

Policy for funding operating expenditure

Operating expenditures covers the cost of staff, energy, vehicle running costs, network operations, asset maintenance and consumables. The source and method of funding operating expenditure is as follows:

Funding for operating expenditure

Funding Source	Explanation of Funding Method
General rates	General rates will primarily be used to fund those activities, or parts of activities that benefit the community in general, and where no identifiable individuals or groups benefit in a significantly different way to the rest of the community. General rates may also be used where it is an explicit objective to encourage the use of the service, or where it is important to achieving the Community Outcome to which the activity is intended to contribute, and where applying direct charging would discourage use. General rates may also be used where it is impractical or too administratively expensive to fund the activity from other sources.
Targeted rates	The Council may use targeted rates to fund activities where there is a clearly identifiable group, or properties in identifiable locations, that receive benefits from the activity. The Council may also set targeted rates to achieve a fair, efficient, or transparent allocation of costs across the community. Targeted rates are applied as a uniform annual charge or on the basis of service use or location.

Funding Source	Explanation of Funding Method
Fees and charges	The Council will generally apply fees and charges for services where the user receives direct benefits, either entirely or in part, from the service and where the use of the service is at the discretion of the user. The Council can also set fees for various consents, licences, permits and property information. The Council may set user charges to recover all or part of the cost of the activity, including a market return on the value of any Council investment. Where the Council needs to ration the use of an activity, charges may be set at a level above that which would be necessary to recover the costs of the activity.
Interest and dividends from investments	The Council treats ordinary budgeted interest and dividends and other investment income as general revenue.
Borrowing	The Council will not borrow to fund operating costs for a service, unless there are reasons to justify borrowing as a short-term or interim solution.
Proceeds from asset sales	Operating costs are not funded from asset sales.
Development contributions	Operating costs cannot be funded from development contributions.
Financial contributions	Operating costs are not funded from financial contributions.
Grants and subsidies	Grants and subsidies will only be used for operating expenses when to do so is consistent with the purpose for which they were given.
Reserves	Reserves are funds assigned (or reserved) for a particular use. Reserves may be legally restricted or created by the Council.

Policy for funding capital expenditure

Capital expenditure is the Council's purchase of assets used to provide goods and services, to rent or lease to others, or for administration purposes. An asset is defined as having a service life of more than one year and includes bridges, libraries, swimming pools and the like. Capital expenditure may include capital held for the maintenance or repair of such assets (reserves).

Capital expenditure relating to the renewal or replacement of existing assets is usually funded from financial reserves built up from the revenue sources that fund the particular activity.

Capital expenditure relating to new long life assets is funded from debt. However, the Council exercises discretion in debt-funding new assets with service lives that are less than 10 years long, as in some cases it would be inappropriate to borrow for such purposes.

Funding for capital expenditure

Funding Source	Explanation of Funding Method
General rates	General rates may be used to retire debt. General rates may also be used to purchase assets where the Council determines that funding the assets from debt is not the preferred option.
Targeted rates	Targeted rates may be used to retire debt, where the debt has arisen from the purchase of assets for the activity funded by the targeted rate. Targeted rates may be used to purchase assets where the Council determines that funding the assets from debt is not the preferred option, and the assets are to be used for the activity funded by the targeted rate.

Revenue and Financing Policy

Funding Source	Explanation of Funding Method
Fees and charges	User charges may be used to retire debt, where the debt has arisen from the purchase of assets used for the activity funded by the user charge. User charges may be used to purchase assets, where the Council determines that funding the assets from debt is not the preferred option, and the assets are to be used for the activity funded by the user charge.
Interest and dividends from investments	Investment income may be used to retire debt, where that income has not been budgeted for other purposes.
Borrowing	The Council's preferred method of funding significant capital expenditure is borrowing.
Proceeds from asset sales	The Council will use proceeds from asset sales as an appropriate source for purchasing assets, building a reserve for the future purchase of assets, or retiring debt because it has no impact on the Council's financial position (assets versus liabilities).
Development contributions	Development contributions will be used to fund the portion of new asset expenditure required as a result of increased demand related to growth. Development contributions can only be used for capital projects specified by the Local Government Act 2002.
Financial contributions under the Resource Management Act	Financial contributions will be used to fund the proportion of new asset expenditure that is required to avoid, remedy or mitigate the adverse environmental effects resulting from subdivision and development (subject to cease in 2022).
Grants and subsidies	Grants and subsidies will only be used for capital expenses when to do so is consistent with the purpose for which they were given.

Funding Source	Explanation of Funding Method
Reserves	Reserves are funds assigned (or reserved) for a particular use. Reserves may be legally restricted or created by the Council. Generally, reserves will only be used for capital expenditure when to do so is consistent with the purpose for which they were created.

GENERAL FUNDING POLICIES

General rates

New Plymouth District Council will apportion its general rates according to the land value and use of each property. Use of property is determined according to whether its primary use is residential, commercial/industrial, farmland or small holdings. Each type of property pays different rates (cents per dollar of land value). These are called "differentials" and are designed to achieve an apportionment of rates that maintains its relativity across sectors over time.

The UAGC is a flat, per property component of the general rate. It funds the same activities as are funded by the general rate. The UAGC has a significant effect, in that it reduces the variation in rates between high value properties and lower valued properties within each differential class of property.

The Council considers the level of fixed charges and property value based general rates each year and is able to make adjustments through the annual plan process.

Differential groups and general rates

The variable land value component of the Council's general rate is set using four differentials: Residential, Commercial/industrial, Small holdings and Farmlands.

The rationale for this approach is that the dollar per land value set for each differential category is a fair and equitable amount related to the benefits that properties within that differential group receives, and not subject to fluctuations in property values that may occur between the different categories over time. The level of rates a landowner pays will vary, based on both land value and the differential category within which the property falls.

As property values change, the Council will alter the group differentials (the amount of rates charged per dollar of value) to ensure each differential group continues to pay the same overall proportion of general rates. The proportion of general rates set for each differential category is outlined in the following table.

		Fixed Differential Factor		
Differential Category	**Definition**	**2018/19 (transition)**	**2019/20 (transition)**	**2020/21 and onwards**
Group 1: Commercial/ industrial	All rating units that are used primarily for any commercial or industrial purpose.	27.10%	27.00%	26.90%
Group 2: Residential	All rating units with a land area of one hectare or less, not being rating units in Group 1, used for residential and related purposes.	54.00%	54.00%	54.00%
Group 3: Small holdings	All rating units, not being rating units included in Groups 1 or 2, having a land area of more than one hectare but no greater than four hectares.	3.20%	3.40%	3.60%
Group 4: Farmland	All rating units, not being rating units included in Group 1, 2 or 3, having a land area in excess of four hectares.	15.70%	15.60%	15.50%

Uniform Annual General Charge and Uniform Annual Roading Charge

The Council policy is to consider increasing the Uniform Annual General Charge (UAGC) and the Uniform Annual Roading Charge (UARC) in accordance with the rate of inflation, as part of each Annual Plan. The Council uses the local government cost index as the applicable inflation rate. The Council will consider the overall impact of this inflation adjustment before implementing it as part of the Annual Plan.

Transitional arrangement

The above policy to inflation adjust the UAGC and UARC will first be implemented in the 2020/21 Annual Plan, and then onwards. Before the annual inflation-adjustment occurs, the following increases will be made to the UAGC and UARC (GST exclusive).

	2018/19	2019/20
Uniform Annual General Charge	$347.83	$373.48
Uniform Annual Roading Charge	$106.52	$113.04

District-wide funding: The One Bucket Policy

The New Plymouth District Council has a 'one bucket' policy for funding community facilities.

The one bucket policy means rates collected from all areas in the district are pooled into one fund and used to provide services across the district as a whole, rather than allocated only to the location where the rates were sourced. Funding priorities are based on the needs of the district as a whole, as opposed to the amount of rates sourced from each locality in the district. For example, if the one area required general rates funding for a recreation facility, funding would come from the pool of rates contributed from all locations in the district, not just the pool contributed by that area's landowners. The one bucket policy is intended to:

- Promote a unified commitment to the long term future of the district.
- Provide all urban communities across the district with an acceptable minimum standard of service for water, wastewater, refuse collection and kerbside recycling.
- Provide integrated management.
- Spread the risk associated with operating assets and intensive network services.
- Ensure funds are available to upgrade the networks and complete projects at the optimal time.
- Avoid any sudden changes in the level of funding required from specific groups of ratepayers.

The Council applies the general rate differentials to community facilities in order to attribute costs and benefits to the appropriate rating group.

The Council has a combined network pricing policy for refuse collection, kerbside recycling and the wastewater and water supply networks. Refuse collection, kerbside recycling, water and wastewater each have a standard fixed charge that is applied to all urban properties that receive the service.

Voluntary targeted rates

The Council's voluntary targeted rate is applied to ratepayers who receive Council funding for part or all of certain capital works costs for their properties. This includes projects such as installing solar heating or insulation. If a ratepayer has received Council assistance for the approved capital work, funding is recovered from the property owner through the targeted rate.

Rest home accommodation

The Council's method for rating rest home properties is as follows:

- The hospital, office, common area and non-self-contained rooms are categorised and rated in the commercial/industrial deferential group.
- Any self-contained units, flats or town houses, including those that are' licence to occupy', are considered Separately Used or Inhabited Part of a Rating Unit (SUIP), which is defined as a separately used or occupied part of a rating unit. They are categorised and rated in the residential deferential group.

Multi-use units on a single title

In cases where multiple units on a single title have fewer residents than a single unit property, the Council does not allow remissions.

Bed and breakfast accommodation

The Council will allow smaller bed and breakfast operators (one to five bedrooms) to be rated as residential properties. Operators that have six or more bedrooms will be rated as commercial/industrial properties, with the owners living accommodation rated as a residential property. This rating method also applies to farm stay properties.

Housing for the Elderly rental income

Rental income from the Council's Housing for the Elderly units will be used solely for the operation, maintenance and capital costs of providing the service.

OVERALL IMPACT OF ALLOCATION OF REVENUE ON THE COMMUNITY CONSIDERATIONS

Sustainability of rates funding

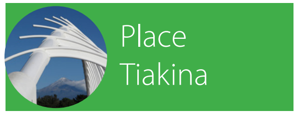
The Council is aware that the level of rates can have negative impacts on property owners with low incomes. Rates are based on a property's land value rather than any metric of the ability of the ratepayer to pay the rates (such as income). To help mitigate costs for people on low incomes, the Council promotes the use of the rates rebate scheme. The Council also allows rates to be paid in quarterly instalments.

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

The Council's community outcomes

The Council's strategic framework can be used to assess the impact of rates funding on the community.

People/He Tangata: *Putting people first/ Aroha ki he Tangata*: A wide range of Council's cultural, social and regulatory services contribute to this outcome. Because they offer widespread benefits and are accessible to all people in the district, these services are often funded from general rates.



Place/Tiakina: *Caring for our place/ Manaaki whenua, manaaki tangata, haere whakamua*: Activities that contribute to protecting and caring for the environment are often funded from general rates. Some services are also funded through other mechanisms. For example, the solid waste service is partly funded through targeted rates, whereby those households who contribute to the need for the service also contribute to the cost of delivery.

Prosperity/Āwhina: *Supporting a prosperous community/ Awhi mai, Awhai atu, tātou katoa*: The Council's provision of infrastructure and services for businesses contributes to this Community Outcome. These activities are funded through a variety of mechanisms. Some infrastructure is funded by user pays charges such as targeted rates or water meters, whereby those who receive and benefit from the service, also contribute to the cost of delivery.

DISTRIBUTION OF FUNDING ASSESSMENT

In considering how a Council service should be funded, it is important to identify who benefits from the activities of the service.

Approach

For each activity that the Council undertakes the following approach will be undertaken to assess the funding for that activity:

Firstly, the activity and any distinct sub-activities are identified. For each activity and/or sub-activity, an assessment is undertaken of:

- Community outcomes - how does the activity contribute to People/He Tangata, Place/Tiakina, or Prosperity/Āwhina.
- The distribution of benefits within the community - does the activity benefit individuals, particular groups or the community as a whole.
- The period of benefits - does the activity have short-term or long-term benefits.
- The extent actions or inactions of people contribute - are there exacerbators to the activity.
- The costs and benefits of funding distinctly from other sources - are there benefits to having distinct revenue sources, such as targeted rates, for the activity.

After considering these impacts on each identified activity and sub-activity, the Council must then consider the overall impact of allocation for revenue on the community.

The Council then uses this assessment information to consider how the activity should be funded. There should be a logical nexus between the assessment and the funding sources, although noting that the assessing the overall impact on allocation for revenue across the community may result in modification of the funding approach.

The operational and capital costs of each of the Council's activities are funded as per the table on the next page.

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Parks and Open Spaces Public open spaces, including streetscapes	Place/Tiakina People/He Tangata	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	Expenditure on parks and gardens generally has public benefits.	80-100%	0-20%	General rates Borrowing Development and financial contributions
Parks and Open Spaces Cemeteries and crematoriums	People/He Tangata	Both short-term and long-term benefits	Medium benefit to distinctly funding	None identified	The benefits from expenditure on cemeteries and crematoriums are a combination of public and mainly private benefits. Family members of the deceased benefit from the cemetery and cremation services. Public health and sanitation is a public benefit provided by having access to these facilities.	20-40%	60-80%	General rates Fees and charges Borrowing
Parks and Open Spaces Sports parks	People/He Tangata Place/Tiakina	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	The benefits from expenditure on sports parks are a combination of public and private. The public derive benefit from having access to sports grounds for recreation other than organised sport. The availability of sports grounds and facilities for use by sporting groups, clubs and associations is a significant private benefit to those groups.	80-100%	0-20%	Fees and charges Borrowing
Parks and Open Spaces Campgrounds	Place/Tiakina Prosperity/Āwhina People/He Tangata	Both short-term and long-term benefits	Medium benefit to distinctly funding	None identified	Campgrounds provide private benefits for holiday makers who visit the district, or residents who use them for recreation.	30-70%	30-70%	General rates Fees and charges Reserves Borrowing

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Parks and Open Spaces Public halls	People/He Tangata	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	People and groups who use public halls receive a clear and direct benefit as only one group can use the facility at a time. However, providing community facilities helps communities connect. The groups that use the facilities often make significant and voluntary contributions to community well-being.	80-100%	0-20%	General rates Fees and charges Reserves Grants and subsidies Development and financial contributions
Transportation	Prosperity/Āwhina	Both short-term and long-term benefits	High benefit to distinctly funding	None identified	The benefits from expenditure on roads are a combination of private and public. The public derive benefit from having access to the roading network. Individual properties gain varying benefits attributed to roading.	40-60%	50-60%	General rates Targeted rates Fees and charges Reserves Grants and subsidies Borrowing Development and financial contributions
Stormwater Management **Flood Protection and Control Works**	People/He Tangata Prosperity/Āwhina	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	Stormwater management has public benefits. Stormwater is managed on a catchment basis. Benefits apply to all.	95-100%	0-5%	Reserves General rates Fees and charges Borrowing Development and financial contributions

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Waste Management and Minimisation Disposal	Place/Tiakina	Both short-term and long-term benefits	Medium benefit to distinctly funding	Illegal dumpers	Public benefit arises from transfer station and landfill operations, as these activities promote public health and sanitation, and control pollution.	30-50%	50-70%	Fees and charges Targeted rates Reserves General rates Borrowing
Waste Management and Minimisation Refuse collection	Place/Tiakina People/He Tangata	Both short-term and long-term benefits	High benefit to distinctly funding	Misusers of kerbside services	Every household within collection areas benefits from expenditure on solid waste management. Public benefit arises as the activity promotes public health and sanitation, and control pollution.		100%	Fees and charges Targeted rates Reserves Borrowing
Water Supply	Place/Tiakina Prosperity/Āwhina	Both short-term and long-term benefits	High benefit to distinctly funding	High water users	The benefits from expenditure on water supply services are mainly private. However, the public benefits from access to a continuous supply of safe drinking water and an assured supply of water for firefighting.		100%	Fees and charges Targeted rates Reserves Borrowing Development and financial contributions
Wastewater Treatment	Place/Tiakina Prosperity/Āwhina	Both short-term and long-term benefits	High benefit to distinctly funding	High users, including trade waste	Every household within sewage disposal areas receives uniform and direct benefits from wastewater treatment. Other commercial and industrial users receive benefits based on their activity levels.		100%	Fees and charges Targeted rates Reserves Borrowing Development and financial contributions

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Emergency Management and Business Continuance	Place/Tiakina People/He Tangata Prosperity/Āwhina	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	The benefits are public, attributable to the whole community. In some cases, value added services mean individuals receive private benefit.	100%		General rates Borrowing
Community Partnerships	People/He Tangata	Short-term benefits	Low benefit to distinctly funding	None identified	Community Partnerships supports community initiatives that have wide public benefits. Individual and group recipients of grants also benefit from this service.	60-80%	20-40%	General rates Grants and subsidies Fees and charges Reserves
Govett-Brewster Art Gallery/Len Lye Centre	People/He Tangata Prosperity/Āwhina	Both short-term and long-term benefits	Medium benefit to distinctly funding	None identified	The Govett-Brewster Art Gallery/Len Lye Centre activities cater for the community at large and build a collection of materials that are a community asset for the future. There are private benefits to users of the service.	60-80%	20-40%	General rates Fees and charges Reserves Grants and subsidies Borrowing
Puke Ariki and Community Libraries	People/He Tangata Prosperity/Āwhina	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	Libraries and museums provide information and education services that cater for the community at large and build a collection of materials that are a community asset for the future. The visitor information centre supports the local economy by promoting local businesses and encouraging visitors to make the most of their stay in the district. There are private benefits to individuals who borrow books or materials or who use the information centre to plan and book their visit.	80-100%	0-20%	General rates Fees and charges Reserves Grants and subsidies Borrowing Development and financial contributions (only in relation to community centres and their land)

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Venues and Events Pools	People/He Tangata	Both short-term and long-term benefits	Medium benefit to distinctly funding	None identified	The pool provides private benefits for swimmers and other patrons who use the pools, hydroslides and gym facilities. The public derive benefit from water safety education and from recreational facilities that encourage community health and social well-being.	50-70%	30-50%	General rates Fees and charges Reserves Grants and subsidies Borrowing
Venues and Events Programmes and events	People/He Tangata Prosperity/Āwhina	Short-term benefits	Low benefit to distinctly funding	None identified	The public benefit from events and programmes, such as the Festival of Lights, that are open to the general public. There are private benefits for those who attend events and programmes.	60-80%	20-40%	General rates Fees and charges Reserves Grants and subsidies
Venues and Events Event venues	People/He Tangata Prosperity/Āwhina	Both short-term and long-term benefits	Medium benefit to distinctly funding	None identified	The benefits from expenditure on event venues are mainly private. Sporting groups, teams, clubs and associations gain significant private benefit from the availability of grounds and facilities for their members. The public benefit from access to sports grounds for other recreational pursuits.	40-60%	20-40%	General rates Fees and charges Reserves Borrowing Grants and subsidies
Customer and Regulatory Solutions Animal control	People/He Tangata	Short-term benefits	High benefit to distinctly funding	Owners of wandering, menacing or dangerous animals	The activities of animal control provide mainly private benefits, for which the user pays. There is also a degree of measurable public benefit from animal control services.	10-30%	70-90%	Fees and charges General rates Reserves

Revenue and Financing Policy

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Customer and Regulatory Solutions Building consents	Prosperity/Āwhina	Short-term benefits	High benefit to distinctly funding	None identified	The benefits from building consents can be directly attributed to the individuals or organisations that apply for the building consent. Full cost recovery is not always possible because some fees are set by law or regulation and a high fee may result in people not obtaining the necessary consent(s).	0-20%	80-100%	Fees and charges General rates Reserves
Customer and Regulatory Solutions District planning	Place/Tiakina Prosperity/Āwhina	Short-term benefits	Low benefit to distinctly funding	None identified	The benefits are attributable to the whole community and considered a public benefit. In cases of non-compliance with the District Plan, the exacerbator pays.	95-100%	0-5%	General rates Fees and charges
Customer and Regulatory Solutions Resource consents and monitoring	Place/Tiakina Prosperity/Āwhina	Short-term benefits	Medium benefit to distinctly funding	Those that do not comply with resource consent obligations	The benefits of controlling the negative environmental effects of an individual or group are attributable to the individual or group.	20-40%	60-80%	Fees and charges
Customer and Regulatory Solutions Environmental health	Place/Tiakina People/He Tangata	Short-term benefits	Medium benefit to distinctly funding	Those that do not comply with environmental health requirements	The benefits of expenditure on environmental health services are a mixture of public and private. Enforcement of bylaws and statutory requirements has public benefits for community health and safety. There is a private benefit for individuals or owners who hold licenses or certifications for activities.	40-60%	40-60%	General rates Fees and charges
Customer and Regulatory Solutions Parking	Prosperity/Āwhina	Short-term benefits	High benefit to distinctly funding	Those that breach parking restrictions	The benefits are private, attributable to individuals.		100%	Fees and charges

Council Service	Community Outcomes	Period of Benefit	Distinct Funding	Exacerbator	Distribution of Benefits	Funding Split		Funding Sources
						Public	Private	
Economic Development	Prosperity/Āwhina People/He Tangata	Short-term benefits	Low benefit to distinctly funding	None identified	The benefits are public, attributable to the whole community. In some cases individuals have private benefit for value added services.	100%		General rates
Governance	People/He Tangata	Short-term benefits	Low benefit to distinctly funding	None identified	The benefits of expenditure on governance services are public. This service allows the public an opportunity to be part of the democratic process and to be represented.	95-100%	0-5%	General rates Fees and charges
Management of Investments and Funding	Prosperity/Āwhina	Both short-term and long-term benefits	Low benefit to distinctly funding	None identified	The benefits are public, attributable to the whole community.	100%		Fees and charges Dividends and interest Borrowing Reserves *Note: Management of Investments and Funding generates a surplus which is used to offset general rates.*

Revenue and Financing Policy

The table below sets out the general approach to considering whether sources of income are considered to be public or private sources for the purposes of this policy.

Public or private funding source

Funding Source	Public or Private
General rates	General rates are considered public funding.
Targeted rates	Targeted rates are considered private funding.
Fees and charges	Fees and charges are generally considered private funding. There are instances where fees and charges are considered public funding, such as in relation to rents from endowment lands.
Interest and dividends from investments	Interest and dividends can be considered public or private depending on the original source of the investment. Income derived from the Perpetual Investment Fund is considered a public funding source.
Borrowing	Borrowing can be considered public or private depending on the source of debt repayment.
Proceeds from asset sales	Proceeds are considered a public funding source.
Development contributions	Development contributions are a private funding source.
Financial contributions	Financial contributions are a private funding source.
Grants and subsidies	Grants and subsidies will generally be considered a private funding source.
Reserves	Reserves can be considered public or private depending on the original source of the funds transferred to the reserve.