Rates Policy

Approved by:	Timaru District Council
Group:	Finance
Responsibility:	Chief Financial Officer
Date adopted:	1 July 2024
Review:	Every 3 years or as required. This Policy does not cease to have effect because it is due for review, or being reviewed
Consultation:	Section 82 review as part of LTP consultation
Policy Type	Council External Operational

Policy Purpose

1. Provide for rates remissions and postponements, including on Māori Freehold Land.
2. Details the objectives, conditions and criteria for each remission or postponement provided.
3. Allow a mechanism where halls and community centres can request a rate to be established around the facility to fund the operation of the facility, and in which the community bear the costs.
4. Recognise that District Halls and Community Centres create spaces for activities that increase community wellbeing and engagement.
5. Promote Council's community wellbeing outcomes by providing a rating system that is both responsive and transparent to the community.

Background

6. This policy is divided into two parts; the first relates to rate remissions and postponements, including on Māori Freehold Land, and the second relates to Rating District Halls/ Community Centres.
7. In determining this policy, Council has considered the matters set out in schedule 11 of the Local Government Act 2002 (LGA) and how it supports the principles set out in the Preamble to Te Ture Whenua Maori Act 1993.

Part One – Rates Remissions and Postponements

8. The LGA allows for Council to adopt either or both a rates remission policy and a rates postponement policy, and requires Council to adopt a policy on the remission and postponement of rates on Māori Freehold Land.[1]

[1] Section 102 (2) and (3), Local Government Act 2002.

9. This document combines all Council's policies on remissions and postponements.

10. The LGA sets out the requirements of these policies including:[2]

    (i) The objectives sought to be achieved by the remission or postponement;

    (ii) The conditions and criteria to be met in order for rates to be remitted or postponed, and;

    (iii) That the policies must be reviewed at least once every six years using a consultation process that gives effect to the requirements of section 82 of the LGA.

11. The Local Government (Rating) Act 2002 (LGRA) states that Council:

    (i) May remit all or part of the rates on a rating unit (including penalties for unpaid rates) if Council is satisfied that the conditions and criteria of this policy are met;

    (ii) Must postpone the requirement to pay all or part of the rates on a rating unit (including penalties for unpaid rates) if the ratepayer has applied in writing, and Council is satisfied that the conditions and criteria of this policy are met.

12. Sections 10 and 11 above also apply to the remission and postponement of Māori Freehold Land.

Definitions

13. **Māori Freehold Land –** land that has had the status determined as Māori Freehold Land by order of the Māori Land Court.

14. **Rates Postponement –** a delay of payment of rates to a date determined by this Policy.

15. **Rates Remission –** a reduction in the amount of rates to be paid, as determined by this Policy.

Policy Statements

General Policy

16. Council has decided to remit all or part of the rates of rating units as detailed below provided that the criteria and conditions of this policy have been met.

17. Rates remissions will be provided for the following categories of rating units or under the following circumstances:

    (i) Community halls; sporting organisations; branches of the arts; community care organisations; volunteer organisation;

    (ii) Land protected for natural, historical or cultural conservation purposes;

    (iii) Rating units with penalties;

    (iv) Dwellings that were subject to a special rateable value for the purpose of Timaru District Council Rating as at 30 June 2003;

[2] Sections 108, 109 and 110, LGA.

(v) School sewerage rates;

(vi) Rating units with excess water charges;

(vii) Low value properties;

(viii) Land affected by natural disaster;

(ix) Separate self-contained flats;

(x) Urban residential development land;

(xi) Buildings undergoing earthquake strengthening, and;

(xii) Māori Freehold Land.

18. The objectives for these remissions and the conditions and criteria to be met in order to receive the remission are detailed for each category below.

Delegations

19. Council has delegated authority to postpone or remit rates per this policy to the Chief Financial Officer and the Rates Remission Subcommittee.

20. In the case of any appeal, where an application for a remission or a postponement has been declined or only partly remitted, Council has delegated decision-making authority to the Rates Remission Subcommittee.

21. Council has delegated authority to the following officers to approve remissions on rates penalties in accordance with this policy:

(i) Chief Financial Officer;

(ii) Senior Rates Officer;

(iii) Rates Officer;

(iv) Customer Services Manager;

(v) Customer Services Team Leader;

(vi) Customer Services Officer.

Policy on Refund of Property Rates

Eligibility

22. Council may provide refunds for property rates if the current instalment period has been cleared and:

(i) a rates rebate has cleared the rates balance to 30 June and put the applicant in credit, or;

(ii) the rates account has been overpaid, or;

(iii) the rates have been adjusted resulting in a credit balance for the year, or;

(iv) there has been a change in property ownership.

Policy on Remission for Community Halls; Sporting Organisations; Branches of the Arts; Community Care Organisations; Volunteer Organisations - Section 8 LG (Rating) Act.

Objective

23. The remission of rates for the community, sporting and other organisations is to facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities for the residents of Timaru District.

24. The purpose of granting rates remission to an organisation is to:

    (i) Recognise the public good contribution made by such organisations.

    (ii) Assist the organisation's survival.

    (iii) Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically/ socially disadvantaged people.

Conditions and Criteria

25. The remission of rates will apply to land which is used exclusively or principally for sporting, recreation, or community purposes. The policy does not apply to organisations operated for pecuniary profit.

26. The policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

27. Organisations making applications should include, but not limited to, the following documents in support of their application:

    (i) Statement of objectives.

    (ii) Financial assets.

    (iii) Information on activities and programmes.

    (iv) Details of membership or clients.

    (v) Organisation constitution.

Remissions

(i) 100% remission on non-service rates;

(ii) 50% remission on water charges, except water charged by the meter;

(iii) Recreational Organisations, excluding chartered clubs receive 50% remission on sewer charges.

Remissions of Rates on Land Protected for Naturals, Historical or Cultural Conservation Purpose

Objective

28. Rates remission is provided to preserve and promote natural resources and heritage by encouraging the protection of land for natual, historical or cultural purposes.

Conditions and Criteria

29. Ratepayers who own rating units that have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this policy.

30. Land that is non-rateable under Section 8, Schedule 1 of the Local Government (Rating) Act 2002 and is liable only for rates for water supply, sewerage disposal and waste collection will not qualify for remission under this part of the policy.

31. Applications should be supported by documented evidence of the protected status of the rating unit, for example, a copy of the covenant or other legal mechanisms.

32. In considering any application for remission of rates under this part of the policy, the Council will consider the following criteria:

    (i) The extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit.

    (ii) The degree to which feature of natural, cultural and historic heritage are present on the land.

    (iii) The degree to which features of natural, cultural and historic heritage inhibit the economic utilisation of the land.

    (iv) The extent to which the preservation of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.

    (v) The degree to which features of natural, cultural and historic heritage will be promoted by granting remission of rates on the rating unit.

    (vi) The degree to which feature of natural, cultural and historic heritage are present on the land.

    (vii) The degree to which features of natural, cultural and historic heritage inhibits the economic utilisation of the land.

Remissions

33. 100% remission on non-service rates.

34. 50% remission on water charges, except water charged by the meter.

Remission on Penalties

Objective

35. The remission of penalties is to allow the Council to act fairly and reasonably in its consideration of rates that have not been received by the Council by the penalty date due to circumstances outside the ratepayer’s control.

Conditions and Criteria

36. Remission of the penalty will be granted if the ratepayer by written explanation satisfies the Council that the late payment was due to circumstances outside the ratepayer's control.

37. Each application will be considered on its merits and will be granted where it is considered fair and equitable to do so, once funds are received to clear outstanding monies. This includes:

    (i) Humanitarian grounds.

    (ii) Address problems which resulted in the rate account going to the wrong address.

    (iii) The ratepayer did not receive an account.

    (iv) Due to a procedure at the bank that delayed or prevented payment.

    (v) The Council made a mistake.

    (vi) A property has changed ownership and the invoice has been issued in the name of the previous owner and/or timing issues associated with the change.

    (vii) Monies received on time but credited to a different rate account due to a ratepayer supplying an incorrect reference number.

    (viii) Where no penalty has been remitted in the last two years and that ratepayer provides a reasonable explanation for the delayed payment.

38. Additionally, in the case of a deceased estate, Council may remit rates penalties from the time of death upon receipt of a letter from a Solicitor who has been granted probate, provided full payment of outstanding rates is expected within six months of the date of the letter.

39. Penalty remission may be considered as part of an agreed repayment plan for ratepayers with significant arrears as a result of financial hardship or difficulties, with remission limited to the agreement period. An agreed repayment plan requires all rates to be paid within 18 months of the agreement commencement. The remission will apply at the completion of the repayment plan, provided the terms of the plan have been adhered to.

40. Where the Council has accepted an application for payment by direct debit that will clear the rates by 30 June in the current rating year, the property will not be charged penalties.

Remissions

41. All penalties incurred will be remitted. No penalties previously incurred will be remitted.

Partial Remission on Dwellings Subject to a Special Rateable Value

Objective

42. The remission of general rates is to provide relief for rating units in commercial, residential or industrial zones and must be used as the private residential dwelling of the ratepayer or the private dwelling of a tenant of the ratepayer and, in the opinion of Council's valuation service provider, the rateable land value of the rating unit has

been inflated due to the location of the property in relation to surrounding properties zoning and land uses.

Conditions and Criteria

43. Rating units must be situated in commercial, residential or industrial zones and must be used as the private residential dwelling of the ratepayer or the private dwelling of a tenant of the ratepayer and in the opinion of Council's valuation service provider the rateable land value of the rating unit has been inflated due to the zoning of the property.

44. Applications for remission must be made to Council prior to the commencement of a rating year. Applications received during a rating year will apply from the commencement of the following rating year.

45. Where an application is approved, the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district.

46. Values allocated under this policy are final and there is no right of objection or appeal against the level of valuation.

47. This policy will apply to all properties to which special rateable values applied at 30 June 2003 provided the use of the property has not changed.

Remissions

48. Remissions will be granted on all rates that are levied on the rateable land value of the rating unit, and the remission will be the difference between the rates that would have been struck on the rateable land value and the rates struck under the special land value allocated under this policy.

Remission of School Sewerage Charges

Objective

49. To provide relief and assistance to education establishments as defined Schedule 1, clause 6 of the LGRA.

Conditions and Criteria

50. The remission will apply to the following educational establishments:

    (i) a State school, or

    (ii) a State integrated school, or

    (iii) a Specialist school

    (iv) a special institution, or

    (v) an early childhood education and care centre, expect an early childhood education and care centre that operate for profit, or

    (vi) a private school, except a registered school that operated for profit, or

    (vii) an institution.

51. The sewage disposal rate in any one year may not exceed the amount calculated in the clause immediately below.

52. The sewage disposal rate is the rate that will be levied using the same mechanism as is applied to other separately rateable rating units within the District, the number of toilets determined will be charged with the full charge.

53. The number of students in an educational establishment is the number of students on its roll on 1 March immediately before the year to which the charge relates.

54. The number of staff in an educational establishment is the number of administration and teaching staff employed by the educational establishment on 1 March immediately before the year to which the charge relates.

Remissions

55. Educational institutions will be levied for sewerage disposal on the basis of one charge per 20 pupils and staff or part thereof.

Remission of Rates and Charges on Land and/or Improvements Affected by Natural Exceptional Circumstances

Objective

56. The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances, due to natural exceptional circumstances, which affect their ability to pay rates.

Conditions and Criteria

57. Only rating units, where the use that may be made of the land or improvements has been detrimentally affected by erosion, subsidence, submersion or other natural disaster will be eligible for consideration for rates remission.

58. Only the person entered as the ratepayer or their authorised agent may make an application for remission of rates and charges on land or improvements affected by natural exceptional circumstances.

59. The ratepayer must be the current owner of the rating unit which is subject to the application. The application should be supported by documented evidence that the rating unit has been detrimentally affected by natural exceptional circumstances.

60. All applications will be considered on a case by case basis.

61. When considering whether extreme financial circumstances exist, all of the ratepayer's personal and business circumstances will be relevant including the following factors: age, physical or cognitive ability, injury, illness and family circumstances or any other factors considered as necessary for consideration under this policy.

62. Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for regular health care, proper provision for maintenance of their home and chattels at an adequate standard, as well as making provision for regular day to day living expenses.

Remissions

63. Council may, where it considers it to be fair and reasonable to do so, remit wholly or in part, any rate or charge made and set in respect of the land and/or improvements

Remission of Excess Water Charges

Objective

64. To standardise procedures to assist ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit, having acted promptly in remedying the fault.

Conditions and Criteria

65. The Council may remit all or part of the excess water rates where the application meets the following criteria:

    (i) The policy will apply to applications from ratepayers who have excess water rates due to a fault(s) in the internal reticulation;

    (ii) That all applicants are requested to submit their application in writing;

    (iii) That proof of the repairs to the internal reticulation be submitted for verification (i.e. plumbers repair account);

    (iv) That proof be submitted for verification of the repairs being carried out promptly once the existence of a fault has been identified;

    (v) That the ratepayer be charged the full amount for regular consumption;

    (vi) That part or all of the excess amount be remitted.

66. The rate payer will be charged the full amount for regular consumption of water, and the excess amount will be remitted.

Remission on Rates for Low Value Properties

Objective

67. To assist ratepayers who own more than one property in the district, with at least one property of very low value.*Conditions and Criteria*

68. Council may partially remit the Uniform Annual General Charge (UAGC) for ratepayers who own more than one property in the district.The ratepayer must have paid at least one full UAGC, and any remission will only apply to subsequent low value properties. *Remissions*

70. The remission will be based on:

Capital Value ($)	UAGC
0 – 20,000	$30 contribution to UAGC
20,001 – 26,000	70% remission
26,001 – 30,000	50% remission
30,001 – 55,000	30% remission

Over 55,001	Full UAGC

72. To assist ratepayers who own properties with separate inhabitable unit/self-contained flat used only for private, non-profit purposes. To remit multiple use differential on value based rates and additional service charges for separately used or inhabitable part of rating unit.*Conditions and Criteria*

74. The Council may remit the rates where the application meets the following criteria:

    (i) The ratepayer has submitted an application stating that the separate inhabitable unit/self contained flat is used for extended family members or private use only and is not leased, or rented for any period of the previous year and not intended so for the next rating year.

    (ii) An application has to be submitted on or before 31 May of each year to apply for following rating year. Applications received during a rating year will apply from the commencement of the following rating year.

75. Where an application is approved, the Council could direct its valuation service provider to inspect the rating unit to confirm the status of the property.

Remission

76. Where an application is approved Council may partially remit general rates, water, sewer and refuse charges, and the property will be rated as a single residential unit.

Remission of Rates for Development Land

Objective

77. To assist ratepayers who undertake significant development of land.

78. To ensure that unsold development land which is in more than one parcel, but has separate valuation assessment numbers, does not pay more than one Uniform Annual General Charge (UAGC).

Conditions and Criteria

79. The Council may remit the rates where the application meets the following criteria:

    (i) Ratepayers who apply in writing providing details of the multiple lot subdivision.

    (ii) An application is submitted on or before 31 May of each year to apply for following rating year. Applications received during a rating year will apply from the commencement of the following rating year.

    (iii) The remission will only apply to development (defined as one deposited plan) where there are more than 2 allotments.

    (iv) The remission will be for a maximum period of three rating years.

    (v) The remission shall cease for any allotment if:

    - Any interest in the land is passed by the developer to another party, or
    - An application for a building consent is granted, or

- The land is developed in some other way.

Remissions

80. The ratepayer will receive a 100% remission on the UAGC on the second and subsequent allotments.

Remission on Buildings Undergoing Earthquake Strengthening

Objective

81. To assist ratepayers who are unable to occupy their property while earthquake strengthening is being undertaken.

Conditions and Criteria

82. Only the person entered as the ratepayer or their authorised agent may make an application for remission of rates and charges on buildings undergoing earthquake strengthening.
83. Only properties where buildings have been determined by Council to be an Earthquake Prone Building will be eligible for a remission.
84. While receiving any remission, the property (rating unit) must not be used for any purpose, apart from the earthquake strengthening work and will not generate any revenue stream.
85. An application needs to be submitted on or before 31 May of each year to apply for following rating year. Applications received during a rating year will apply from the commencement of the following rating year.
86. The remission will only be available for a maximum of two rating years.

Remissions

87. A remission of up to 75% of the general rate will be granted.

Remission of Rates on Māori Freehold Land

Objectives

88. To ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Māori-owned lands have particular conditions, features, ownership structures or other circumstances which make if appropriate to provide relief from rates.
89. The remission of rates on Māori Freehold Land is to:
    (i) Recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
    (ii) Set aside land that is better set aside for non-use because of its natural features (whenua rahui).
    (iii) Recognise matters related to the physical accessibility of the land.
    (iv) Recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes.

(v) Grant remission for the portion of land not occupied where part only of a block is occupied.

(vi) Facilitate the development or use of the land where Council considers rates based on actual land value make the actual use of the land uneconomic.

(vii) Recognise and take account of the importance of land in providing economic and infrastructure support for marae and associated papakainga housing.

(viii) Recognise and take into account the importance of the land for community goals relating to:

- The preservation of the natural character of the coastal environment.
- The protection of outstanding natural features.
- The protection of significant indigenous vegetation and significant habitat of indigenous fauna.

Conditions and Criteria

90. Māori Freehold Land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is the subject of such an order may qualify for remission under this policy.

91. Owners or trustees making application should include the following information in their applications:

(i) Details of the property.

(ii) The objectives that will be achieved by providing a remission.

(iii) Documentation that proves the land, which is the subject of the application, is Māori Freehold Land.

92. Council will maintain a register titled the Māori Land Rates Relief Register (the register) for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy. The register will comprise two category lists, these being:

(i) The Māori Land General Remissions List.

(ii) The Māori Land Economic Adjustment Remissions List.

93. Council will review the register annually and may add properties that comply, or remove properties where circumstances have changed and they no longer comply.

94. Remissions are applied at the sole discretion of Council and may be cancelled and reduced at any time.

Māori Land General Remissions List

95. Council will consider remission of rates on land that comes within the following criteria:

(i) The land is unoccupied and no income is derived from the use or occupation of that land, or;

(ii) The land is better set aside for non-use (whenua rahui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land, or;

(iii) The land is inaccessible and is unoccupied, or;

(iv) Only a portion of the land is occupied.

Māori Economic Adjustment Remissions List

96. Council will consider remission for land that carries a best potential use value that is significantly in excess of the economic value arising from its actual use.

97. The remission for land recorded in the *Māori Land Economic Adjustment Remissions List* will be the difference between the rates as assessed and the rates that would be assessed based on the actual use of the land.

Remissions

98. A full remission of any rates except targeted rates made for water supply, sewerage disposal or waste management.

Postponement of Rates on Māori Freehold Land

Objective

99. To facilitate the development and use of Māori Freehold Land for economic use.

100. The policy will be applied where Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.

Conditions and Criteria

101. Māori Freehold Land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject of such an order may qualify for postponement under this policy.

102. Council will consider postponement of rates where previously unoccupied land is subject to clearing, development and commercial use where Council considers utilisation would be uneconomic if full rates were required during the years of development and establishment.

103. Application should be made prior to commencement of the development. Applications made after the commencement of the development may be accepted at the discretion of Council.

104. Owners or trustees making application should include the following information in their applications:

(i) Details of the property.

(ii) The objectives that will be achieved by providing postponement.

(iii) Details of the proposed development.

105. Council may also, at its discretion, partially remit rates that are otherwise subject to postponement.

Rates Postponement Policy

Objective

106. The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

Conditions and Criteria

107. Only rating units used solely for residential purposes will be eligible for consideration.

108. Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances.

109. The ratepayer must be the current owner of, and have owned for not less than five years, the rating unit which is the subject of the application.

110. The person entered on Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the district or in another district).

111. The ratepayer (or authorised agent) must make an application to Council.

112. Council will consider, on a case by case basis, all applications received that meet this criteria.

113. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

114. Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

115. Where Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

116. Any postponed rates will be postponed until:

(i) The death of the ratepayer(s); or

(ii) Until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or

(iii) Until the ratepayer ceases to use the property as his/her residence; or

(iv) Until a date specified by the Council.

117. The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating depending on the circumstances.

118. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

119. Postponed rates will be registered as a statutory land charge on the rating unit title. This allows Council to have the first call on the proceeds of any revenue from the sale or lease of the rating unit.

Fees and Charges

120. Council will charge an annual administrative fee of $100 on postponed rates for the period between the due date and the date they are paid.

121. The ratepayer will be required to pay the first $1,000 of the rate account.

Waiver of small debt

122. The Rates Team Leader may make an application to the Chief Financial Officer to waive a small debt deemed not cost effective for Council to recover.

123. The Chief Financial Officer must give consideration to the size of the debt, the likeihood of collection, the ability of viable collection avenues and amount of exertion required to collect the debt.

124. A waiver is abandoning the right to not collect on this debt; it does not disestablish the debt. It does not preclude Council from re-raising or re-seeking this debt at a future point in time, if the conditions in this policy no longer prevail or circumstances change.

Part Two – Rating District Halls/ Community Centres

Background

125. There are a number of halls and community centres across the district that are owned by not for profit organisations. This mechanism of utilising a Community Centre Rating District allows the cost to be spread across the community that uses and benefits from the halls and centres.

Definitions

126. **Community Centre Rating District** – is the area defined on a map that indicates all properties surrounding the hall or community centre that receive a targeted rate.

Policy Statements

127. That the minimum community support required before a Community Centre Rating District can be considered and established be 80% of the ratepayers within the particular area concerned.

128. That the amount of the targeted rate be reviewed in conjunction with the communities five years from the date is first set and thereafter every three years in conjunction with the preparation of the Long Term Plan.

129. That Community Centre and Hall Communities Committees be able to amend the amount of the targeted rate provided 80% of ratepayers in the Community Centre Rating District agree with the change.

130. One ratepayer from each rating unit is able to represent the view of the ratepayers for the rating unit.

131. New rates are only to be added in conjunction with the Council preparing a Long Term Plan.

132. That a 2% administration charge be received for all Community Centre Rating Districts.

Delegations, References and Revision History

Delegations
Identify here any delegations related to the policy for it to be operative or required as a result of the policy

Delegation	Delegations Register Reference
7.101	Rates Officer: Remission of penalties in accordance with the Council's rates remission and postponement policy.
7.102	Rates Officer – Debt Recovery: Enter into any arrangement for payment of a rates debt owed to Council within the current rating year; Enter into any arrangement for payment of a rates debt owed to Council beyond the current rating year; Remission of penalties in accordance with the Council's rates remission and postponement policy; Power for recovery of rates if owner in default.
7.106	Revenue Team Leader: Authority to allocate rating units to different differential categories; Keep and maintain rating information data base; Authority to remove ratepayers names from the Rating Information Database where the name has been removed from the Land Transfer register; Power to correct rates; Power to issue an amended rates assessment if an error is corrected; Power to appoint a rates collector; Power not to collect rates that are uneconomic to collect; Power to add penalties for rates not paid by the due date.

References
Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)

Title	Relevant Reference within Document
N/A	

Revision History
Summary of the development and review of the policy

Revision	Owner	Date Approved	Approval By	Next Review	Doc Ref

1	Chief Financial Officer	1 July 2024	Council	2027	#1566638

Treasury Management Policy

Approved by:	Timaru District Council
Group:	Finance
Responsibility:	Chief Financial Officer
Date adopted:	1 July 2024
Review:	Every 3 years, or as required This Policy does not cease to have effect because it is due for review, or being reviewed
Consultation:	Section 82 consultation as part of the LTP consultation
Policy Type	Council External Strategic

Part 1: Introduction

1. Purpose

1.1. The purpose of this policy is to:

1.1.1. Detail Council's policy on liability management;

1.1.2. Detail Council's policy on investment management, and;

1.1.3. Define key responsibilities and operating parameters within which Council's treasury management activities are to be conducted.

2. Scope

2.1. This policy covers all Council employees, Council, Community Boards, any funds held in trust which are incorporated in the Council's Annual Report and financial reports, including all investments and liabilities as per sections 102, 104 and 105 of the Local Government Act 2002 (LGA).

2.2. This policy currently relates only to Timaru District Council and not the Timaru District Council Group (which includes the subsidiaries of Council, currently Timaru District Holdings Limited and Venture Timaru), except where Council conducts treasury management on behalf of a subsidiary.

3. Background

3.1. Timaru District Council undertakes treasury management activities including liability management (borrowing); investment and cash management and associated risk management activities.

3.2. Council's borrowing and investment activities are carried out within the requirements of the LGA, which defines the operating environment for local authorities in relation to treasury management and requires local authorities to adopt liability management and investment policies and this policy includes Council's Liability Management and Investment policies as required under sections 104 and 105 of the act with Council's lending and borrowing activities covered by these policies.

3.3. Council's borrowing activity is primarily driven by its capital expenditure programme.

3.4. Council has a portfolio of investments comprising equity and investments in subsidiary companies, including loans to subsidiaries; property; forestry; investment properties and treasury investments.

3.5. These policies should be read in the context of Council's financial strategy, which contains Council's overarching financial policy statements and objectives.

4. Treasury Objectives

4.1. Council's broad objectives and philosophy in relation to treasury activity are as follows:

4.1.1. To ensure compliance with the Act and any other relevant legislation;

4.1.2. To manage Council's borrowings and investments to support its strategic, community and commercial objectives, and to maximise returns within these objectives and the agreed Treasury Management policy and targets;

4.1.3. To maintain funding mechanisms with an appropriate maturity profile to ensure adequate liquidity is available at margins and costs appropriate to Council's credit standing;

4.1.4. To manage the integrity of the financial market investments by investing in appropriately rated organisations and in agreed financial market instruments;

4.1.5. To mitigate potential adverse interest rate risk and minimise financing costs within acceptable risk management parameters;

4.1.6. To maintain relationships with financial market participants, enabling Council to carry out its treasury activities in an efficient and practical way; and,

4.1.7. To provide timely and accurate reporting of treasury activity and performance.

4.2. In meeting these objectives, Council acknowledges that there are financial risks such as funding, liquidity, interest rate, credit and operational risks arising from its treasury activities.

4.3. Council is a risk adverse entity and accordingly, a significant element of Council's financial management function, is to undertake effective risk management activities focused on protecting Council's projected cashflows and net cash position and the value of its investments

4.4. Treasury activity unrelated to its underlying cash flows or speculative will not be undertaken without a resolution from Council while recognizing that all treasury activities and investments are subject to risk and values may fluctuate in the normal course of business Treasury management activity also includes the identification of investments opportunities which Council may wish to pursue.

5. Definitions

5.1. Local Government Funding Agency (LFGA), whose purpose is, "benefiting local communities through delivering efficient financing for local government".

5.2. Debt cap represents the maximum net debt that Council can hold at any one time and is expressed as a ratio or percentage relative to total revenue. Council's current debt cap is 2.5 or 250% of total revenue, meaning that Council can borrow up to $2.50 for every $1 of total revenue.

5.3. Total revenue represents the increase in value or inflow of resources to Council from both cash and non-cash sources, including from rates, government grants and subsidies, fees and charges, interest, dividends, revaluation of assets (included in the calculation of "surplus/(deficit) before tax"), and other financial transactions representing such increases or inflows. Total revenue excludes those inflows or value changes included in Other Comprehensive Revenue, particularly gains/(losses) on the revaluation of assets not included in the surplus/(deficit) before tax calculation, which primarily include infrastructure assets. Where the underlying obligations relating to the revenue source have not yet been materially met inflows are treated as creditors until the underlying requirements for recognition as revenue have been met, e.g. grants for capital developments where the underlying grant requirement are still outstanding.

5.4. Total expenses represent the diminution in value or outflow of resources from Council, both cash and non-cash, including payments to suppliers and employees, grants or loans made by Council, interest paid, depreciation, and any reduction in the value of assts where a revaluation, impairment or provision might be required. Expenses do not include capital expenditure, which represents an investment in another form of asset not a diminution in the value of Council.

5.5. Cash inflows or cash income, as represented in the Cashflow Statement, includes all sources of cash in a period regardless of any other parameters. Non-cash revenue, such as vested assets, are excluded from cash income. Cash outflows exclude any non-cash costs such as depreciation but include capital expenditure which is not an expense. The net movement in cash in a period will be represented by the change in cash and cash equivalents.

5.6. Net Debt is defined as total consolidated external debt less liquid financial assets and investments.

5.7. Liquidity (as measured by a liquidity ratio) is defined as total cash and cash equivalents, short-term deposits, loans to subsidiaries, investment in the Local Government Funding Agency

(LGFA), investments in debt securities and available short-term loan facilities divided by total borrowings, excluding trade creditors and other similar debt incurred in the normal course of business.

5.8. Liquid investments are defined as cash and cash equivalents, short-term deposits, loans to subsidiaries, investments in the LGFA, investments in debt securities and available short-term loan facilities.

5.9. Rates income is defined as the revenue from funding mechanisms authorised by the Local Government (Rating) Act 2002.

5.10. Financial covenants are parameters set by external loans providers which Council has agreed to comply with.

5.11. Disaster recovery resource requirements are required to be met through available liquidity (as represented by the liquidity ratio) and sufficient resources are expected to be maintained to meet exceptional needs following the utilisation of insurance and recovery support provided from external sources.

5.12. The Long Term Plan (LTP) is a 10 year plan which describes Council's work and activities and the broader results or community outcomes that are expected from engaging in these activities. An LTP has a strong financial focus showing the resources needed to deliver the suite of work and activities. The LTP also provides accountability to the community, and includes a legislatively protected consultation requirement.

Part 2: Liability Management

6. General Policy

6.1. The Council's Liability Management policy must state Council's policies in respect of the management of both borrowing and other liabilities, including interest rate exposure; liquidity; credit exposure and debt management.

6.2. Council's infrastructure and community assets generally have long expected lives and long term benefits and the use of debt is seen as an appropriate mechanism for promoting intergenerational equity between current and future ratepayers for assets and investments, as well as assisting Council in meeting the infrastructure demands of its ratepayers.

6.3. Council borrows as it considers appropriate within the powers contained within the LGA. Borrowings not included in the agreed Long Term Plan must be approved by Council resolution.

6.4. Council may raise debt for the following purposes:

6.4.1. General debt to fund Council's activities as deemed necessary and appropriate, including to fund Council Controlled Organisations where separately agreed;

6.4.2. Specific debt associated with one-off projects and capital expenditure, including assets with intergenerational impacts.

6.5. Council generates resources for funding internally in its usual course of business, particularly through rates, but is able to borrow from the following external sources as necessary:

6.5.1. Banks;

6.5.2. Local Government Funding Agency;

6.5.3. Capital markets,

6.5.4. Subsidiaries

6.6. Council can borrow using the following financial market instruments: fixed and floating rate medium and long-term bonds; floating rate debt, including overdrafts.

6.7. Margins may be specified or be indicated under each borrowing source including debt maturity profile; prevailing interest rates; terms available from insurance; legal documentation and financial covenants.

7. Local Government Funding Agency Limited

7.1. Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent in considers necessary or desirable:

7.1.1. Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;

7.1.2. Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;

7.1.3. Commit to contributing additional equity (or subordinated debt) to the LGFA if required;

7.1.4. Subscribe for shared and uncalled capital in the LGFA; and

7.1.5. Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over Council's rates and rates revenue.

8. Financial Covenants on Borrowing

8.1. In managing its borrowings, Council will adhere to the financial covenants set by the Local Government Funding Agency (LGFA) or other lending institutions. Financial covenant adherence will be reported to the Audit and Risk Committee quarterly by the Chief Financial Officer.

8.2. Council may also establish parameters for itself for debt limits within the context of agreed targets within the Long Term Plan; and the management of risk associated with funding. The current self-imposed debt limit (as per the 2024-34 Long Term Plan) is that net debt will not exceed 250% of total revenue, i.e. a 2.5 debt-to-revenue ratio.

8.3. The LFGA's current covenants are:

8.3.1. Net annual interest expense will not exceed 30% of total annual rates income;

8.3.2. Net annual interest expense will not exceed 20% of total revenue;

8.3.3. Net debt will not exceed 280% of total revenue.; and

8.3.4. Liquidity will be greater than 110%.

9. Interest Rate Risk Management

9.1. Interest rate risks arising from debt maturity profiles and potential interest rate movements will be actively managed, including the use of derivative instruments, and fixed rate funding arrangements.

9.2. The range of hedged and fixed rate exposure requirements within various time bands. The actual hedging percentages in place within these bands will be determined and reviewed regularly.

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate	**Maximum Fixed Rate**
Less than 2 years	40%	100%
2 years to 4 years	20%	80%
4 years to 8 years	0%	60%

9.3. Fixed rate hedging in excess of eight years should be in conjunction with or aligning with underlying debt instruments.

9.4. Interest rate risk management will be congruent with agreed core debt requirements.

9.5. Interest rate risk management derivative instruments which may be used for interest rate risk management activity include forward rate agreements, interest rate swaps, swap options and interest rate collars however any derivative utilized for risk management will be assessed on a value for money basis, comparing the risk being managed and the cost of that management.

9.6. Council will not undertake derivative trading primarily for speculative purposes but only as incidental to risk management strategy.

9.7. The use of risk management options must be approved by the Chief Financial Officer or equivalent officer as delegated by the Chief Executive.

10. Benchmarking

10.1. Council will evaluate the performance of the interest rate risk management policy, including the success and appropriateness of the risk control limits. This evaluation will measure actual results (i.e. weighted average funding cost) against a market benchmark provided by an external source. The constituent elements of the benchmark standard will be agreed triennially by the Audit and Risk Committee but reported and reviewed annually.

10.2. Council's cost of funds for benchmarking purposes is exclusive of any interest rate margin.

11. Liquidity and Funding Risk Management

11.1. To minimise the risk of large concentrations of debt maturing or being reissued in periods where credit margins are high for reasons within or beyond Council's control, Council ensures material debt maturities are spread over a number of years. Council manages this by aiming, where practical, to have no more than 33% of its outstanding borrowing subject to refinancing in any rolling 12 month period.

11.2. Council's treasury operation will ensure that there is sufficient liquidity to provide the funds to meet its immediate obligations such as creditors and current debt maturities.

11.3. Cash flow reporting will be maintained to monitor Council's estimated liquidity position regularly. Liquidity must be no less than 110% as measured by a liquidity ratio including cash, term deposits, longer dated financial assets, assets that can be sold, committed undrawn ban facilities and drawn debt.

12. Credit Exposure

12.1. It is considered that the range and size of Council's individual borrowings, together with the relative strength of these lender offsets any institutional credit risk.

13. Provision of Security

13.1. For its general borrowing programme, Council offers security under its debenture trust deed, which is a charge over all rates.

13.2. In exceptional circumstances, security may be offered by providing a charge over Council assets for which approval by Council is specifically required.

14. Debt Repayment

14.1. Council repays borrowings from general or targeted rates; general funds, including from the sale of assets; and renewal loans.

14.2. Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or renegotiated as and when appropriate. Council will manage debt on a net portfolio basis at all times.

15. Internal Borrowing

15.1. Internal borrowing against the investment pool Council maintains may be used in lieu of external borrowing. This policy applies whether the loans are internal or external and is governed by the policy covering Council investments in the document.

Part 3: Investment Policy

16. General Policy

16.1. Sections 102 and 105 of the LGA requires that, in order to provide predictability and certainty about sources and levels of funding, Council must adopt an Investment Policy.

16.2. The policy must state Council's policies in respect of investments, including the investment mix; the acquisition of new investments; an outline of the procedures by which investments are managed and reported; and an outline of how investment risks are assessed and managed.

16.3. Council generally holds investments for strategic reasons where there is some community, social or economic benefit accruing from the investment activity. In exercising its powers of investment, Council is required to exercise the care, diligence, and skill that a prudent person of business would exercise in managing the affairs of others. The Council may consider, in making any investment decisions:

16.3.1. the desirability of diversifying investments;

16.3.2. the nature of existing investments;

16.3.3. the risk of capital loss or depreciation;

16.3.4. the potential for capital appreciation;

16.3.5. the likely income return;

16.3.6. the length of the term of the proposed investment;

16.3.7. the marketability of the proposed investment during, and on the determination of, the term of the proposed investment;

16.3.8. the effect of the proposed investment in relation to tax liability;

16.3.9. the likelihood of inflation affecting the value of the proposed investment; and;

16.3.10. the credit rating of any entity or instrument (if applicable) in which it proposes to invest.

16.4. Council recognises its custodial responsibility and shall review the performance of all investments on an annual basis. A full review of the investment in subsidiaries, including the justification for retaining that investment, benchmarking of the returns on investment against equivalent external sources, and a comprehensive review by Council of the subsidiaries 10-year plans, will be undertaken coinciding with the development of each Long-Term Plan.

17. Investment Mix

17.1. Council manages a portfolio of investments comprising:

17.1.1. Equity investments, including corporate investments and other shareholdings;

17.1.2. Property investments incorporating land and buildings, including designated investment properties.;

17.1.3. Forestry investments; and

17.1.4. Treasury investments in liquid investments.

18. Equity Investments

Nature of Investment:

18.1. Council's equity investments, including investments in corporate investments and other shareholdings. This policy includes Council investments in subsidiaries, but not investments that those subsidiaries might hold.

Rationale for Holding Investment:

18.2. The Council's investments in such assets fulfil various strategic, economic development and financial objectives as outlined in Council's Long Term Plan and comply fully with the Local Government Act 2002.

Acquisition of New Investments:

18.3. The Council will acquire equity investments in line with its strategic, economic development and financial objectives as outlined in the Council's Long Term Plan and on the commercial merits of the proposal.

18.4. All equity investment purchases require a specific resolution by Council.

Revenue:

18.5. The proceeds from the disposition of equity investments will be applied in accordance with Council's Revenue and Financing Policy, to offset general rates; repay debt; fund capital expenditure; or reinvest.

Risk Management:

18.6. Council management of its risk in equity investments includes through the governance of subsidiaries; agreed Statements of Corporate Intent and Letters of Expectations; and a comprehensive review of the investment as part of the Long Term Plan process.

Management and Reporting Procedures:

18.7. The Commercial and Strategy Committee, or designated alternative committee, reviews the performance of equity investments through quarterly reporting from subsidiaries to ensure the achievement of Statements of Corporate Intent.

18.8. The Chief Financial Officer, or equivalent officer as delegated by the Chief Executive, prepares an annual review of equity investment, including a calculation of the return on investment being achieved.

19. Property Investments

Nature of Investment:

19.1. Council owns properties for operational purposes which may become surplus to to operational requirements.

Rationale for Holding Investment:

19.2. Council's overall objective is to only own property that is necessary to achieve its strategic objectives. Council does not generally hold an investment in a property where it is not essential to the delivery of relevant services, and properties are only retained where it relates to a particular Council requirement.

Acquisition of New Investments:

19.3. Council does not acquire properties for investment purposes. Properties retained for particular Council uses may be designated as investment properties for financial reporting purposes.

Revenue:

19.4. Proceeds from the disposal of property will be applied in accordance with Council's Revenue and Financing Policy, to offset general rates; repay debt; fund capital expenditure; or reinvest

Risk Management:

19.5. Council manages its risk ensuring adequate insurance is in place to protect these assets from non-financial risks and a sound repair and maintenance plan is in place to protect the ongoing value of these assets.

Management and Reporting Procedures:

19.6. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements, and the most financially viable method of achieving the delivery of Council services. Council generally follows a similar assessment criteria in relation to new property purchases.

19.7. The Chief Financial Officer, or equivalent officer as delegated by the Chief Executive, is responsible for undertaking this review annually.

20. Forestry Investments

Nature of Investment:

20.1. Council's forestry portfolio is made up of over 50 woodlots of land totally 235 hectares, consisting predominantly of Radiata Pine, with some blocks of Douglas Fir and Macrocarpa.

Rationale for Holding Investment:

20.2. Forestry assets are held as long term investments on the basis of their net positive discounted cashflows, factoring in projected market prices and annual maintenance and cutting costs, and to maintain the land upon which Council's forestry investment is held.

Acquisition of New Investments:

20.3. Council has no immediate intention of purchasing new forestry investments.

Revenue:

20.4. Proceeds from the disposal of forestry investments will be applied in accordance with Council's Revenue and Financing Policy, to offset general rates; repay debt; fund capital expenditure; or reinvest. Income from Council's forestry operation is reinvested in forestry though a separate fund. A dividend is payable to Council at any agreed time that does not affect the viability of the forestry operation.

20.5. Expenditure in maintaining the forestry investment is expensed in the year it is incurred.

Risk Management:

20.6. The risks associated with Council's forestry are minimised by the number and size of the blocks, the range of species, fire breaks, and the adoption of silviculture practices.

20.7. Forestry blocks are regularly inspected for pests and diseases, and foliage sampling and nutrient analysis is undertaken to maximise the crop.

20.8. Harvesting of forests is carried out at appropriate times to maximise Council's return on investment.

Management and Reporting Procedures:

20.9. Council's forestry portfolio is managed by the Infrastructure Group. The operating income and expenditure is reported to the council.

20.10. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements, and the most financially viable method of achieving the delivery of Council services. Council generally follows a similar assessment criteria in relation to new property investments.

21. Treasury Investments

Nature of Investment:

21.1. Investments for treasury are in generally approved investments as outlined previously.

Rationale for Holding Investment:

21.2. Council maintains treasury investments primarily to maximise the return on available funds, particularly short-term cash and to ensure that sufficient liquidity is available to meet obligations.

Acquisition of New Investments:

21.3. Council acquires new treasury investments based on the availability of cash and the projected requirements for utilisation of liquid resources.

Revenue:

21.4. Income from investments is allocated to designated and restricted funds based on the general return obtained from the treasury investment portfolio.

Risk Management:

21.5. Council's primary objective when investing is the protection of its investment.

21.6. In conjunction with the rationale for the investments, Council also seeks to:

- Maximise investment return;
- Ensure investments are liquid; and,
- Manage potential capital losses due to interest rate movements if investments need to be liquidated before maturity.

21.7. The above objectives are captured in Appendix 1: "Approved Treasury Counterparty Limits and Investment Instruments", which provides operating parameters for investment activity.

21.8. Credit risk is minimised by placing maximum limits for each broad class of non-Government issuer, and by limiting investments to New Zealand Registered Banks, financial institutions, local authorities, State Owned Enterprises, and corporates within prescribed limits.

21.9. Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in the secondary market.

21.10. Performance of the Special Funds portfolio is benchmarked by measuring the performance of the portfolio against the performance of an appropriate external benchmark portfolio. The duration of the portfolio is also compared to the duration of the external benchmark portfolio and the Council is able to vary the duration of the portfolio within 25% either side of the external benchmark portfolio's duration. Comparison with the benchmark portfolio is not required if the nominal value of the portfolio is less than $5 million.

Approved Investment Instruments:

21.11. Within the constraints of Appendix 1 of this policy, the Council invests in the following instruments:

- Government debt instruments;
- SOE debt instruments;
- New Zealand Registered Bank debt instruments;
- Local Authority debt instruments;
- Local Government Funding Agency debt instruments;
- Approved corporate debt instruments; and,
- Approved financial institutions debt instruments.

Interest Rate Risk Management:

21.12. The Chief Financial Officer, or equivalent officer as delegated by the Chief Executive, sets overall investment strategy, by reviewing on a regular basis, cashflow forecasts incorporating plans for approved expenditure and strategic initiatives, evaluating the outlook for interest rates and the shape of the yield curve, and where applicable, seeking appropriate financial advice.

21.13. The Chief Financial Officer and Finance Manager, or equivalent officer as delegated by the Chief Executive, implement the investment management strategy by reviewing rolling cashflow forecasts and:

- Changing interest rate investment profiles by adjusting the average maturity of its investments according to current market conditions, and;
- Using risk management instruments to protect investment returns.

21.14. Interest rate risk management instruments (of the type included under the Liability Management Policy – Section 7 above) may be used for interest rate risk management on investments, with the approval of the Chief Financial Officer, or equivalent officer as delegated by the Chief Executive.

Management and Reporting Procedures:

21.15. The management of Council's treasury investments and day-to-day treasury operations are delegated to the Chief Financial Officer and Finance Manager, or equivalent officer as delegated by the Chief Executive.

21.16. Reports on Council's treasury investments are prepared on a quarterly basis for Council.

22. Local Government Funding Agency Limited Investment (LGFA)

Nature of Investment:

22.1. Council may invest in shares and other financial instruments of the LGFA and may borrow to fund that investment.

Rationale for Holding Investment:

22.2. Council's objective for such investments will be to:

- Obtain a return on the investment, and;
- Ensure the LGFA has sufficient capital to maintain an appropriate credit rating so that it continues as a source of attractively priced debt funding for the local government sector.

22.3. Because of this dual objective, Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative instruments.

22.4. If required in connection with the investment, Council may subscribe for uncalled capital in the LGFA.

Acquisition of New Investments:

22.5. Council has no immediate intention of purchasing new LGFA investments, however if it does, it will be based on the commercial merits of the proposal.

Revenue:

22.6. Interest revenue from LGFA investments will be applied in accordance with Council's Revenue and Financing Policy to offset the general rates.

Risk Management:

22.7. Council manages its risk by reviewing its return on investment on an annual basis.

Management and Reporting Procedures:

22.8. The management of Council's LGFA investments and the day-to-day operations are delegated to the Chief Financial Officer and Finance Manager, or equivalent officer as delegated by the Chief Executive.

22.9. Reports on Council's LGFA investments are prepared on a quarterly basis for Council.

Delegations, References and Revision History

Delegations
Identify here any delegations related to the policy for it to be operative or required as a result of the policy

Delegation Manual Reference	Delegations Register Reference

4.7.6 – Borrowing 4.7.13 – Deposit of funds 4.7.19 – Interest 4.7.20 – Investments	**Finance Manager:** Authorise the deposit and withdrawal of funds as allowed for in the Council's Treasury policy; Authority in accordance with Council Policy is granted to invest Council monies. A quarterly report is to be prepared for Commercial and Strategy Committee stating current investments, counterparty, term, and interest rate. **Chief Financial Officer:** Authority to negotiate loan interest rates and terms with brokers and/or lending institutions for loans raised by Council; Authority to approve interest rate risk management instruments; Authority to appoint independent advisor(s).

References
Include here reference to any documents related to the policy (e.g. operating guidelines, procedures)

Title	Relevant Reference within Document
Revenue and Financing Policy	-

Revision History
Summary of the development and review of the policy

Revision	Owner	Date Approved	Approval By	Next Review	Doc Ref
1.0	Chief Financial Officer/ Management Accountant	16 March 2021	Council	3 Yearly	1399182
2.0	Chief Financial Officer/ Finance Manager	1 July 2024	Council	3 Yearly	1652269

Appendix 1 – Approved Treasury Counterpart Limits and Treasury Investment Instruments

Institution	**Overall Portfolio Limit** (as a % of the total portfolio)	**Approved Financial Market Investment Instruments** (must be denominated in NZ dollars)	**Credit Rating Criteria – S&P** (or Moody's or Fitch equivalents)	**Limit for each issuer subject to overall portfolio limit for issuer class**
New Zealand Government or Government Guaranteed	100%	Government Stock Treasury Bills	Not Applicable	No limit
New Zealand Registered Banks	100%	Call/Deposits/ Bank Bills/ Commercial Paper Bonds/MTN's/FRN's	Short term S&P rating of A1 or better Long-term rating of BBB or better Long-term rating of A- or better Long-term rating of A+ or better Long-term rating of AA- or better	$20 million $1 million $2 million $3 million $4 million
Rated Local Authorities	70%	Commercial Paper Bonds/MTN's/ FRN's	Short term S&P rating of A1 or better Long term S&P rating of : BBB or better A- or better; A+ or better; AA or better	$3 million $1 million; $2 million; $3 million; $4 million
Local Authorities where rates are used as security	60%	Commercial Paper Bonds/MTN's/FRN's	Not Applicable	$2 million $2 million
State Owned Enterprises	70%	Commercial Paper Bonds/MTN's/FRN's	Short term S&P rating of A1 or better Long-term rating of BBB or better Long-term rating of A- or better Long-term rating of A+ or better Long-term rating of AA- or better	$3 million $1 million $2 million $3 million $4 million
Corporates*	60%	Commercial Paper Bonds/MTN's/ FRN's	Short term credit rating of A1 or better Long-term rating of BBB or better.	$3 million $1 million

Institution	**Overall Portfolio Limit** (as a % of the total portfolio)	**Approved Financial Market Investment Instruments** (must be denominated in NZ dollars)	**Credit Rating Criteria – S&P** (or Moody's or Fitch equivalents)	**Limit for each issuer subject to overall portfolio limit for issuer class**
			Long-term rating of A- or better. Long-term rating of A+ or better. Long term rating of AA- or better	$2 million $3 million $4 million
Financials*	30%	Commercial Paper Bonds/MTN's/ FRN's	Short term credit rating of A1 or better Long-term rating of BBB or better. Long-term rating of A- or better. Long-term rating of A+ or better. Long term rating of AA- or better	$3 million $1 million $2 million $3million $4 million

*The combined holding of Corporates and Financials shall not exceed 70% of the portfolio.

The combined holdings of entities rated BBB and or BBB+ shall not exceed 30% of the portfolio.

Investments that no longer comply with minimum rating criteria due to a downgrade in their rating must be recommended to Council within one month of the downgrade being notified.

Revenue and Financing Policy

Approved by: Timaru District Council

Date approved: 30 June 2025

1. Purpose

1.1. The purpose of this policy is to detail Timaru District Council's approach to funding its operating and capital expenditure.

1.2. It determines who pays for Council activities, and on what basis, with a view to achieving the fairest funding mix for the community as a whole.

1.3. The overall objective of this policy is to ensure users and beneficiaries of Council services pay what is fair and equitable.

2. Glossary

Note: The definitions provided are intended to explain terms used on this policy in plain English. [1]

Benefit: refers to the positive effect able to be gained as a result of a Council-provided activity or service, regardless of whether this is taken up or not.

Capital expenditure: means expenditure on new assets or on assets that increase the level of service provided, or extend the level of service – for example the replacement of assets.

Community-wide benefit: means a benefit that applies to the whole community, irrespective of property location or value.

Council: means Timaru District Council

Exacerbator: those who contribute to, or create the need for a Council service or facility, and should, therefore contribute to the cost of the service or facility.

General Rate: is a rate levied on all rateable properties within Council's jurisdiction. A general rate is based on:

- Land value of a property
- How the property is used

Intergenerational equity: is the principle that the cost of an asset or service should be spread over its life, so that both current and future residents who benefit contribute a fair share of the costs, and not just current residents.

[1] Legal definitions are provided in the Local Government Act 2002 and the Local Government (Rating) Act 2002.

Land Value (LV): Means the assessed value of land, excluding capital improvements, at the time of valuation.

Operating expenditure: means the costs incurred to provide normal day-to-day services and the maintenance of services and assets.

People benefit: is a benefit that people and residents can enjoy without owning a property. Council looks to fund people benefit through uniform annual charges.

Private good: means goods or services that directly benefit an individual rather than the community as a whole. Private good is an indicator that users who directly benefit should pay.

Property benefit: is a benefit that accrues to a property or to property owners. This may be a service to a property, or an activity that benefits property values. Council looks to fund property benefit through general rates based on land value.

Public good: means goods or service that one individual can consume without reducing the availability to another individual. Public good is usually both non-rival and non-excludable. An example of public good is a community park.

Rates: are funds collected by Council through taxes on property within the district.

Targeted rates: a rate charged for a specific service through a tax on each rateable unit or separately used or inhabited portion of a rating unit to ensure that the cost of a service or activity is borne by those who derive most benefit from it, or who contribute to the need for the service or activity.

Uniform Annual General Charge: a charge of an equal amount on each rateable unit or separately used or inhabited portion of a rating unit to ensure that all ratepayers make a minimum contribution to Council activities and services. This charge is applied to fund services where community benefits apply across the district.

User charges: a council charge paid by those who use specific services provided by Council.

3. Policy Context

Local Government Act 2002

3.1. The Local Government Act 2002 (LGA) requires Council to adopt a Revenue and Financing Policy.

3.2. Sections 102 and 103 of the LGA require the policy to demonstrate how operational expenditure and capital expenditure are funded from:

a) General rates, including –

i. Choice of valuation system; and

ii. Differential rating; and

iii. Uniform annual general charges:

b) Targeted rates:

c) Lump sum contributions:

d) Fees and charges:

e) Interest and dividends from investments:

f) Borrowing:

g) Proceeds from asset sales:

h) Development contributions:

i) Financial contributions under the Resource Management Act 1991:

j) Grants and subsidies:

k) Other sources of income

3.3. Section 101(3)(a) of the LGA requires that Council has, for each activity funded, shown it has given consideration to the:

a) Community outcomes to which the activity primarily contributes; and

b) Distribution of benefits between the community as a whole, and identifiable part of the community, and individuals; and

c) The period in or over which those benefits are expected to occur; and

d) The extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity; and

e) Costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and

3.4. In accordance with section 101(3)(b), Council must also 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.

Related Council Plans, Policies and Strategies

3.5. Council's Revenue and Financing Policy provides a high level funding framework that links with other Council documents that impact on funding decisions for the wider community and, in some cases, or individual ratepayers. These documents include:

Financial Contributions Policy: Details the basis on which Council charges financial contributions to offset or mitigate any adverse impacts on the natural or physical environment including utilities, services or a new development.

Timaru District Plan: Section 6 of the District Plan details Council's approach to charging financial contributions for new developments under the Resource Management Act 1991.

Significance and Engagement Policy: Details Council's approach to determining the level of significance of a particular proposal or decision, and how Council will engage with the community based on the level of significance. Decisions about the funding of Council activities will be assess in accordance with this policy.

Rates Policy: Details the circumstances in which Council will provide a rate remission or postponement, including on Maori Freehold Land, and the rationale for this.

Infrastructure Strategy: Details Council's approach to the provision of core infrastructure, how much it intends on investing over the next 30 years, and how this investment will be funded. Activities included in the strategy are: roads and footpaths, drinking water, sewer, stormwater, waste management and large community facilities (for example, CBay Aquatic Centre).

Financial Strategy: Details Council's approach to delivering its high-level funding requirements, including limits on rates and borrowing. The Financial Strategy considers the impact of expected changes in population and the use of land, the expected impact of Council's Infrastructure Strategy and other significant factors affecting Council's ability to maintain and meet demands for services.

Funding Impact Statement: Provided in each Long Term Plan and Annual Plan, the funding impact statement details the application and impact of the Revenue and Financing Policy for each financial year.

4. Rating Framework

4.1. Councils are able to use a variety of approaches in their overall rating framework. These approaches are how Council applies rates in the district, and include the following:

Valuation System

4.2. When applying rates based on property values councils can rate according to land value, capital value, or annual value.

4.3. Timaru District Council uses the land value rating system. The land values are determined by an independent valuer who is audited by the Valuer General.

Differential Rating

4.4. When applying rates councils can rate properties using a differential according to a range of categories detailed in schedule 2 of the Local Government (Rating) Act 2002.

4.5. Council's general rate is set based on a rate per dollar of rateable land value, and differentiated on the use to which the land is put. The objective of differential rating is to ensure a fair and equitable proportion of rates are paid by the various differential categories.

4.6. Council uses differentials to distribute the general rate between particular categories of the community, as listed below. This does not change the total amount of general rates funding required annually, but rather, the proportion of overall funding of the general rate from each category differs according to the differential factor applied.

4.7. The differential is applied to the following nine categories:

Category	Definition
Accommodation	All properties used primarily for hotel, motel or similar short term or travellers' accommodation purposes.

Commercial – Central	All properties situated within the Timaru Central Business District and used primarily for commercial purposes.
Commercial – Other	All properties used primarily for commercial purposes other than those situated in the Timaru Central Business District.
Community Services	All properties used primarily for education, religious, and/or community purposes.
Industrial	All properties used primarily for industrial purposes.
Primary	All properties used primarily for agriculture, horticulture or pastoral purposes, including the grazing of animals.
Recreational	All properties used primarily for active or passive indoor/outdoor recreational activities.
Residential – General	All properties used primarily for residential accommodation of a single household or used for residential purposes and not otherwise classified or which are vacant or of not determined use of those differential categories and situated in an area in which residential dwellings are permitted.
Residential – Multi Unit	All properties used primarily used for multi-unit residential accommodation, for example, purpose built rental flats.

Unit of rating – separately used or inhabited parts of a rating unit

4.8. Under the Local Government (Rating) Act 2002 charging separately used or inhabited parts of a rating unit is an option for a uniform annual general charge and for targeted rates.

4.9. A separately used or inhabited part of a property or building includes any part of a rating unit inhabited or used by a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

4.10. For the purpose of this policy, vacant land and vacant premises offered or intended for use or habitation by a person, other than the owner, and generally used as such are defined as ‘used’.

4.11. Examples of separately used or inhabited parts of a rating unit include:

- Each separately used or inhabited part of a residential unit will count as a separate part. This includes minor household units with kitchen facilities often referred to as “granny flats”.
- Where residential properties are partially used for business, the number of parts will equal the number of separately used or inhabited residential units plus one for each separate business use (e.g. a house with a doctor’s surgery attached contains two parts).
- In the case of retirement villages or farms with workers’ accommodation and similar types of properties, each separately

used or inhabited residential unit and each other major use (such as halls, libraries etc) are separate parts.

5. Rate Revenue Sources

5.1. The rates charged by Council as sources of funding are:

General Rate

5.2. A rate charged on all rateable properties in the district on the basis of land value, and differentiated by the use of the property.

Uniform Annual General Charge (UAGC)

5.3. A rate charged on all separately used or inhabited portions of a rating unit on a uniform basis. This rate enables all ratepayers to make a minimum contribution to Council's costs. The annual increase in the UAGC will be an overall percentage increase as the general rate increase within a margin of 5% in any given year or as per section 13 – Funding Analysis for Council Activities.

Targeted Rate

5.4. A rate charged on specific properties in the district on the basis of the property or owner being able to receive benefit from the service provided that is not available to all. Targeted rates may be charged on the basis of land value, differentiated or as a uniform annual charge.

5.5. A Business Improvement District (BID) targeted rate is being introduced as part of the 2024-34 Long Term Plan, consistent with the BID Policy.

6. Non-Rate Revenue Sources

6.1. Council has a range of funding sources available which are often suited to a particular type of funding requirement. While rates are often the most appropriate source of funding for a particular requirement, Council may decide to use other sources of funding, if appropriate.

Grants and subsidies

6.2. Council expects to continue to receive substantial subsidies from New Zealand Transport Agency Waka Kotahi (NZTA) for road and footpath maintenance and renewal and other expenditure related to transportation and its land transport networks.

6.3. Council can receive grants and sponsorship for projects which are eligible for particular grant and sponsorship schemes.

Investment income, dividends and interest

6.4. Interest and investment returns from Council's investments, including annual dividends from Timaru District Holdings Limited (TDHL) are generally used to offset the general rate and the uniform annual general charge.

6.5. Interest earned on special funds and separate reserves is used only for the purpose of the fund or reserve.

Financial contributions

6.6. Council's existing Financial Contributions Policy allows Council to apply a charge for water, sewer, stormwater and open space and recreation. Minor amounts of capital expenditure budget for the Parks and Recreation activity have been identified as coming from financial contributions. Amounts to be funded from financial contributions for water supply, sewer and stormwater services will be determined from Council decisions at the time of development.

Proceeds from asset sales

6.7. Council may sell assets that are deemed to be surplus to requirements or that are not providing satisfactory returns. Council will resolve how to utilise the proceeds from the sale of land and/or building (property) assets and any other assets with a value over the Chief Executive's financial delegation.

6.8. Council may choose to use proceeds of asset sales for expenditure in an activity other than that associated with the sold asset/s, subject to complying with the decision-making requirements of the Local Government Act 2002.

Fees and Charges

6.9. Council charges for some services it provides and this revenue funds all or part of the cost of service delivery for these activities. Examples include resource and building consent fees, dog registration fees and facility admission or hire.

6.10. Council will amend its fees and changes annually (or more frequently as appropriate) to reflect increases in costs as measured by the assumed rate of inflation and/or to maintain the cost recovery levels underlying the basis for setting the fee levels.

Bequests

6.11. Council occasionally receives bequests that can be used, normally for a specific purpose. Examples include bequests for the purchase of library books or art work.

Borrowing

6.12. Council generally borrows to fund capital expenditure as a way of promoting intergenerational equity and as a way to make the significant cost of some capital projects affordable. Borrowing may be internal (i.e. Council borrowing from itself by using its own reserves) or external.

6.13. Council does not borrow for operational expenditure unless this is deemed to be prudent and is approved by Council on that basis.

Lump Sum Contributions

6.14. Council may offer the option for ratepayers to pay their share of a capital project through a lump sum payment rather than through rates over a longer period of time. This can be beneficial for all parties as it reduces the interest paid by ratepayers over the life of the loan, and Council can retire a portion of debt earlier or reduce the need for borrowing.

7. Funding Operational Expenditure

7.1. Operating expenditure is the day-to-day cost Council incurs to provide services, including the maintenance of existing assets.

7.2. Council has determined that the following sources may be used to fund operating expenditure:

- Rates revenue (including general rates and UAGC)
- Targeted rates
- Fees and charges
- Interest and dividends from investments
- Proceeds from individual asset sales less than $80,000 (if exceeding $80,000, then subject to a Council resolution stating that this is considered prudent in the circumstances)
- Financial contributions
- Grants and subsidies
- Borrowing (noting 6.13 of this policy)
- Other operating revenue

7.3. Council may choose not to fully fund operating expenditure in any activity in any particular year if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years.

7.4. An operating deficit will only be budgeted when considered prudent to avoid significant fluctuations in rates, fees or charges. Council will consider the requirements of section 100 of the LGA (Balanced Budget requirements).

7.5. Council may choose to fund more than is necessary to meet its operating expenditure in any particular year. Council will only budget for an operating surplus to fund an operational deficit in the immediately preceding or following years, or to repay debt. Council will have regard to forecast future debt levels when deciding whether it is prudent to budget for an operating surplus for debt repayment.

8. Funding Capital Expenditure

8.1. Capital expenditure is expenditure on new or existing assets that maintains or increases their value and the level of service to the community.

8.2. Council usually borrows, either internally or from capital markets, to fund capital expenditure. Borrowing for capital expenditure enables Council to spread the cost of providing a capital asset over the expected life of the asset. Council may choose to fund capital expenditure through borrowing and repay the loan over a shorter or longer period if this is considered prudent.

8.3. Borrowing for capital expenditure reduced peaks and troughs in the funding required each year and promotes intergenerational equity. This ensures today's ratepayers are not required to fund the whole cost of assets with a long useful life and subsequent users of the assets also make a contribution to its cost by contributing to the interest and principal repayments in those subsequent years.

8.4. Council's borrowing requirements and the cost of servicing loans for capital expenditure may be reduced to the extent that other funding sources can be used.

8.5. Council has determined that the following sources may be used to fund capital expenditure:

- Rates revenue (including general rates and UAGC)
- Targeted rates
- Lump sum contributions
- Interest and dividends from investments
- Borrowing
- Proceeds from asset sales
- Financial contributions
- Grants and subsidies
- Reserve funds
- Other sources.

8.6. Borrowing for capital expenditure is undertaken in accordance with Council's Financial Strategy.

9. Funding of Depreciation

9.1. Depreciation is the process of recognising that an asset is progressively used up over its useful life. By funding depreciation Council has the ability to provide funding to replace assets at the end of their useful life, or reduce the amount borrowed against the assets. Depreciation is funded within each activity as part of the operating expenditure each year.

9.2. In general, Council will fully fund depreciation over the life of an asset in order to systematically allocate the use or consumption of the asset, unless this is not considered to be in the best interests of the community. If Council decides not to fully fund depreciation of an asset it will provide the community with information on why it has decided not to fully fund depreciation and the likely impact of this decision.

10. Activity Funding Analysis

10.1. Council has considered each activity, and in some cases discrete items within an activity, to determine the most appropriate funding approach.

10.2. Council endeavours, where possible, to allocate cost to the primary beneficiary of any function or activity it provides.

10.3. The following matters considered in the assessment are:

Distribution of benefits

10.4. The benefits provided by each activity are assessed to establish to whom these flow. Benefit distribution is assessed using three categories; private benefit, group benefit and community-wide benefit.

10.5. **Private Benefit:** accrues to identifiable individuals. Activities that provide a high level of private benefit will normally be funded from fees and charges.

10.6. An example of a Council service that provides a high level of private benefit is the processing and granting of a consent. This enables the applicant applying for a consent to undertake an activity that primarily benefits them.

10.7. **Group Benefit:** accrues to identifiable groups within the community. Activities that provide a high level of group benefit will normally be funded from a targeted rate or charge on properties able to receive the service.

10.8. An example of a Council service that provides a high level of group benefit is the provision of drinking water. Only those able to connect to the drinking water supply are able to benefit.

10.9. **Community-wide Benefit:** accrues to the community as a whole. Activities providing a high level of community-wide benefit will normally be funded from the community as a whole, through the general rate or the UAGC.

10.10. An example of a Council service that provides a high level of community-wide benefit is the provision of the roading network. Everyone has the opportunity to access and use the service.

Period of benefit

10.11. Council considers the period over which the benefit provided by an activity flows. This provides a rationale for deciding the period over which the expenditure should be funded.

10.12. If the benefit an activity provides relates wholly or largely to the immediate year then the activity will normally be funded from rates or other income in the year the expense is incurred.

10.13. If the benefit is available over a longer period of time Council will normally borrow to fund the activity or asset to ensure future ratepayers who will enjoy some benefit will pay a fair proportion of the cost.

Control of negative effects (exacerbator pays)

10.14. Council may incur expenditure to protect the community from actual or potential problems. Council looks to identify the cost to the community of controlling negative effects caused by individual or group actions and to recover any costs directly from those causing the problem. Examples are animal control (funding through dog registrations and impoundment fees) and parking enforcement (funding through parking meter fees and infringement fees).

10.15. Where a fee or charge is not practical or efficient the cost will normally be funded as if it provides a community-wide benefit – through the general rate or UAGC.

Distinct Funding

10.16. Transparency and accountability are more evident when an activity is funded separately from other activities. This allows ratepayers, or payers of user charges to see how much money is being raised and spent on the activity, and whether or not the cost of the activity represents value for money.

10.17. Council will consider the costs and benefits of distinct funding of an activity, including the consequences of the chosen funding method in terms of transparency and accountability. Council will fund activities distinctly where this is practical and efficient.

10.18. All activities that are funded distinctly are detailed in section 12 of this policy.

Property versus people benefit

10.19. When deciding on the appropriate funding mechanism, Council will consider whether the benefit provided by an activity flows primarily to the value of the property or to the people who live at the property.

10.20. In general, Council will look to fund property-related benefit through the general rate, based on land value, and people-related benefit though the UAGC rate (all properties being charged a uniform amount).

Community Impact

10.21. Council must consider the overall impact the allocation liability has on the social, economic, environmental and cultural wellbeing of the community.

10.22. In considering community impact and the allocation of costs, Council will have regard to:

- The impact a particular funding approach may have on the achievement of community outcomes;
- Fairness and equality issues arising from the allocation of costs; and
- Any other impacts on the community, such as affordability of rates for some or all ratepayers.

10.23. Council may decide to fund an activity in a way other than generally prescribed in this policy if this approach to funding will promote the achievement of community outcomes or will address perceived affordability issues.

Practicality

10.24. Council may choose to make minor variations to the funding approach detailed in this policy for reasons of practicality. This is particularly the case for activities that are partly funded from fees and charges, or from external sources.

10.25. In some cases, the funding from fees and charges and external sources may vary from year to year or may be uncertain at the time of budgeting. In these cases Council may choose to adjust the funding from rates to accommodate changes or uncertainty.

10.26. For activities funded partly from fees and charges, the revenue generated from this source is often dependent on the demand for services at the time. Council may decide to adjust the level of funding from rates to smooth the level of fees and charges from year to year.

10.27. Surplus revenue generated from fees and charges will normally be credited to Council's general reserves, or to the appropriate specified purpose reserve fund.

10.28. For activities with specified purpose reserve funds, these funds may be used for rates smoothing purposes if Council is able to use the fund in this way and deems this a prudent approach.

10.29. Council may fund minor capital expenditure from operating revenue in the year it is expended. Non-minor capital expenditure items will be funded from reserves or loan funded so as to minimise extreme rate movements and more accurately reflect intergenerational costs.

11. Wellbeing

11.1. Council will give consideration for the overall impact this policy has on the current and future social, economic, environmental and cultural wellbeing of the Timaru District Community.

12. Policy Review

12.1. This policy will be reviewed every three years, as part of the development of the Long Term Plan.

12.2. The policy may be amended at any time, as long as the review process provides for community engagement in accordance with Council's Significance and Engagement Policy and section 82 of the LGA.

13. Funding Analysis for Council Activities

Democracy

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity supports and guides all activities carried out by Council and includes; all work associated with elected members (including community board members); community engagement; communications; strategy; policy and plan development; elections; governance functions; performance and accountability reporting.	Connected Citizens	**Community-wide Benefit:** Benefits the whole community by supporting the decision-making function, representation, advocacy, communication and engagement for all residents.	***Operating Expenditure*** **Rates: 90-100%** 50% UAGC 50% General Rate 0-10% Targeted Community Board Rates **User Charges: 0-10%** Hearings fees etc ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Community Support

Airport

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the management of the Richard Pearse Airport	Enhanced Lifestyle Diverse Economy	**Private Benefit:** Users of the airport receive the primary benefit from the provision and management of the airport enabling travel, or storage and operation of personal aircraft. **Community-wide Benefit:** The whole community receives a secondary benefit through access to the airport and the economic benefits the airport provides the district.	***Operating Expenditure*** **User Charges: 30-50%** Airport charges eg landing fees and lease income **Rates: 50-70%** 40% UAGC 60% General Rate ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Cemeteries

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the maintenance and development of cemeteries across the district, including burials and interments.	Resilient Infrastructure Enhanced Lifestyle	**Private Benefit:** Users of cemetery facilities, largely family and friends of deceased, receive the primary benefit. **Community-wide Benefit:** The whole community receives benefit through ensuring the deceased are interred in a sanitary way maintaining public health, cemeteries as well maintained public spaces, and the district's social history is preserved in cemetery records.	***Operating Expenditure*** **User Charges: 40-70%** Plot purchases and interment fees **Rates:30-60%** 60% UAGC 40% General Rate ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Community Development and Funding

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for funding, by way of grants and loans, to support individuals, community groups, facilities and events. The activity also provides for rates remissions and swimming concessions.	Connected Citizens Enhanced Lifestyle	**Group Benefit:** Recipients of the grants and loans receive the primary benefit. Note: Council has determined that charging these groups for this activity would not meet the purpose of this activity or the Community Wellbeing Outcomes. **Community-wide Benefit:** The funding criteria for the grants and loans is designed to support groups which provide benefits through their activities to the whole community.	***Operating Expenditure*** **Rates: 85-95%** 80% UAGC 20% General Rate **Grants: 5-15%** Funding received from various funding agencies **Interest: 5-15%** Interest on loans provided to community groups ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Emergency Management

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the development of resilient communities through planning, training, education, co-ordination with partner agencies. This activity also includes provision for the Emergency Response Fund.	Connected Citizens Resilient Infrastructure	**Community-wide Benefit:** The primary benefit is to the people and property of the whole district, enabling planning to mitigate the harm, and to recover from emergencies.	***Operating Expenditure*** **Rates: 100%** 50% UAGC 50% General Rate ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Climate Change

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides development of climate change mitigation and adaptation strategies and action plans for the district.	Sustainable Environment Resilient Infrastructure Connected Citizens	**Community-wide Benefit:** The primary benefit is to the people and property of the whole district, enabling the planning to mitigate the harm caused by climate change and to assist the whole district to adapt to both climate change and zero carbon living.	***Operating Expenditure*** **Rates: 100%** 80% General Rate 20% UAGC ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Economic Development

Service Provided – Venture Timaru	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity promotes and assists economic development and visitor opportunities in the district.	Diverse Economy Enhanced Lifestyle	**Community-wide Benefit:** This activity provides community-wide benefit through supporting the economic growth and development of the district. **Private Benefit:** Some benefits may accrue to businesses or individuals using the services this activity provides, e.g. tourism operators.	***Operating Expenditure*** **Rates: 90-100%** 80% General Rate 20% UAGC **User Charges: 0-10%** User fees for services provided by Economic Development Agency **Other: 0-10%** Government grants or subsidies ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Service Provided – Business Improvement District	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity promotes and assists economic development and visitor opportunities in the central business district of Timaru.	Diverse Economy Enhanced Lifestyle	**Community-wide Benefit:** This activity provides community-wide benefit through supporting the economic growth and development of the central business district in Timaru. **Private Benefit:** Some benefits may accrue to businesses or individuals using the services this activity provides, e.g. central business owners.	***Operating Expenditure*** **Rates: 100%** 100% Targeted Rate

Public Toilets

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides and maintains public toilets across the district.	Enhanced Lifestyle Resilient Infrastructure	**Private Benefit:** Users of the public toilets, including visitors to the district benefit, and create the need for this activity. Note: Council does not believe a user pays funding model to be practical or appropriate. **Community-wide Benefit:** The whole community benefits through the provision of public toilets and maintaining public hygiene.	***Operating Expenditure*** **Rates: 90-100%** 70% UAGC 30% General Rate **User Charges: 0-10%** User pays may be achievable at some facilities. ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Council Housing

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides and maintains affordable housing across the district for those in need.	Connected Citizens Enhanced Lifestyle	**Private Benefit:** The tenants of the social housing units benefit from this activity.	***Operating Expenditure*** **User Charges: 100%** Rental income from tenants. ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure. **Grants:** Council may seek grant funding and sponsorship to support capital works.

<u>Environmental Services</u>

Animal Control

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for animal control services including the confining of stray animals and managing aggressive animals.	Enhanced Lifestyle	**Private Benefit:** The owners of animals, particularly dogs, benefit from, and create the need for this activity. **Community-wide Benefit:**	***Operating Expenditure*** **User Charges: 90-100%** Dog registrations, impounding, infringement and other fees and fines. **Rates: 0-10%** 100% General Rate ***Capital Expenditure***

		The whole community benefits from this activity minimising the negative impact of wandering and aggressive animals.	**Borrowing:** Loan costs are funded in the same way as operating expenditure.

District Building Control

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the administration and implementation of the Building Act, including processing and granting consents and inspecting and monitoring building work across the district.	Diverse Economy Resilient Infrastructure Sustainable Environment	**Private Benefit:** The benefits from this activity mainly accrue to building owners through ensuring they have met legislative requirements. **Community-wide Benefit:** The whole community benefits through this activity ensuring buildings across the district are safe, sanitary and accessible.	***Operating Expenditure*** **User Charges: 70-80%** Various fees and charges relating to building control services. **Rates: 20-30%** 100% General Rate ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

District Planning

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the development, adoption and amendment of the Timaru District Plan	Sustainable Environment Diverse Economy Resilient Infrastructure	**Private Benefit:** When individuals seek private plan changes they accrue the benefit. **Community-wide Benefit:** The whole community benefits from a District Plan that enables sustainable development within the district.	***Operating Expenditure*** **Borrowing:** Council will borrow for the operating costs of developing the District Plan, recognising the period benefit for this activity. Loan costs will be funded in the same way as other operating expenditure. **Rates: 90-100%**

			Rate funding will be utilised for all other policy work. 100% General Rate **User Charges: 0-10%** Fees for private plan changes. ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

District Plan Administration

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity includes all aspects of the resource consenting process and other district planning requirements, including receiving and processing the applications, monitoring consents and responding to public enquiries, other permissions and Land Information Memorandums.	Sustainable Environment Diverse Economy Resilient Infrastructure	**Private Benefit:** Those individuals seeking resource consent or other services primarily benefit from this activity. **Community-wide Benefit:** There is some benefit to the whole community to ensure consents are processed and monitored through enabling sustainable development. **Exacerbators:** Individuals may contribute to costs through lack of compliance requiring ongoing monitoring and enforcement.	***Operating Expenditure*** **User Charges: 80-90%** Various fees and charges relating to the resource consenting and other district planning process. **Rates: 10-20%** 100% General Rate ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

District Health

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This service provides for the administration and monitoring of food safety, liquor licensing, hazardous substances and enforcing the district bylaws.	Enhanced Lifestyle Diverse Economy Sustainable Environment	**Private Benefit:** The benefits accrue to the individuals and businesses that require the services of this activity to meet legislative requirements. **Community-wide Benefit:** The whole community benefits through the provision of a safe and healthy environment and standards of operation being enforced. **Exacerbators:** Individuals may contribute to costs through lack of compliance requiring ongoing monitoring and enforcement.	***Operating Expenditure*** **User Charges: 50-60%** Various fees and charges associated with this activity. **Rates: 40-50%** 50% UAGC 50% General Rate ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Recreation and Leisure

Aigantighe Art Gallery

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides and maintains the Aigantighe Art Gallery and collection, including exhibits, research and education.	Enhanced Lifestyle Connected Communities	**Private Benefit:** Users of the Aigantighe Art Gallery benefit for their use of the facility. Note: Council considers that allocating costs only to the users of this facility would	***Operating Expenditure*** **Rates: 90-100%** 60% UAGC 40% General Rate **User Charges: 0-10%** User charges and donations

		not be practical, would deter use, and would not meet community wellbeing outcomes. **Community-wide Benefit:** The whole community benefits from access to the Aigantighe Art Gallery and a location to exhibit, store and restore art works and to enable the public consumption of art.	***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure. **Bequests:** Bequests and donations also fund the purchase of some art pieces and may be used to support other capital works. **Grants:** Council may seek grant funding and sponsorship to support capital works.

Fishing Huts

Service Provided	**Community Wellbeing Outcomes**	**Who benefits/creates need?**	**Funding (operating and capital expenditure)**
This activity manages two fishing hut sites: Rangitata Huts and Stratheona Huts.	Enhanced Lifestyle	**Private Benefit:** The owners of the huts on these sites benefit from this activity.	***Operating Expenditure*** **User Charges: 100%** Lease income ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Forestry

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity manages Council's forestry portfolio.	Diverse Economy Sustainable Environment	**Community-wide Benefit:** The whole community benefits from the income generated from the harvest of the trees and the carbon credits provided.	***Operating Expenditure*** **Proceeds from asset sales: 100%** Harvest of trees **User Charges: 100%** Lease income for forestry blocks ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Halls and Community Centres

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity manages and maintains community halls and centres, including Aorangi Stadium.	Enhanced Lifestyle Connected Citizens	**Private Benefit:** The users of the halls and community centres accrue benefits. Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes. **Community-wide Benefit:** The whole community benefits from the provision of halls and community centres for recreation, events and civil defence.	***Operating Expenditure*** **Rates: 80-90%** 60% UAGC 40% General Rate **User Charges: 10-20%** Hire fees for the facilities Lease and sponsorship income ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure. **Grants:**

			Council may seek grant funding, fundraising and sponsorship to support capital works.

District Libraries

Service Provided	**Community Wellbeing Outcomes**	**Who benefits/creates need?**	**Funding (operating and capital expenditure)**
This activity provides and maintains three district libraries including library books, resources and other services.	Enhanced Lifestyle Connected Citizens	**Private Benefit:** Users of the library accrue benefits. Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes. **Community-wide Benefit:** The whole community benefits from the access to the district libraries through access to information, community resources and a hub for social interaction.	***Operating Expenditure*** **Rates: 90-100%** 60% UAGC 40% General Rate **User Charges:** Charges for some services and fines. ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure. **Bequests:** Bequests and donations also fund the purchase of some library resources. **Grants:** Council may seek grant funding, fundraising and sponsorship to support capital works.

Motor Camps

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides five motor camps across the district. Four of these camps are leased under management arrangements.	Diverse Economy Enhanced Lifestyle	**Private Benefit:** The individuals who lease the motor camps and those who visit the motor camps accrue benefits from this activity. **Community-wide Benefit:** The community as a whole benefits through the provision of these facilities for visitors to the district and wider economic benefits.	***Operating Expenditure*** **User Charges: 90-100%** Lease income and camping fees **Rates: 0-10%** 60% UAGC 40% General Rate ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

South Canterbury Museum

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for management of the South Canterbury Museum facility and services, including displays, archives and educational services.	Enhanced Lifestyle Connected Citizens	**Private Benefit:** Users of the museum and its services accrue benefits. Note: Council considers that allocating costs only to the users of this facility would not be practical, would deter use, and would not meet community wellbeing outcomes. **Community-wide Benefit:** The whole community benefits from the access to the South Canterbury Museum	***Operating Expenditure*** **Rates: 90-100%** 60% UAGC 40% General Rate **User Charges: 0-10%** User charges and donations ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

		through cultural enrichment, education and preservation of district heritage.	**Bequests:** Bequests and donations also fund the purchase of some museum resources and some operating expenses. **Grants:** Council may seek grant funding, fundraising and sponsorship to support capital works and some operating expenses (e.g. Learning Outside The Classroom (LEOTC)

Parks and Recreation

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides and maintains parks, reserves, sports grounds, gardens and off-road tracks across the district.	Enhanced Lifestyle Sustainable Environment Connected Citizens	**Private Benefit:** Individuals and groups that use the parks and sports facilities accrue benefits, some from specific facilities (e.g. skateparks, sportsgrounds). Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes. **Community-wide Benefit:** The whole community benefits from provision and access to parks facilities across the district such as for active and passive recreational pursuits, health, education and wellbeing. Facilities contribute to community pride and perception of the district.	***Operating Expenditure*** **Rates: 90-100%** 60% UAGC 40% General Rate **User Charges: 0-10%** Sport ground leases and user charges ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure. **Lump Sum Contributions:** Some capital contributions paid for facilities (e.g. sports surfaces) by user groups. **Financial Contributions:** Council charges financial contributions for the acquisition and development of recreation and open space

			under the provisions of the District Plan. This funding source may be used in some instances to fund qualifying capital expenditure. **Grants:** Council may seek grant funding, fundraising and sponsorship to support capital works.

Swimming Pools

Service Provided	**Community Wellbeing Outcomes**	**Who benefits/creates need?**	**Funding (operating and capital expenditure)**
This activity provides, maintains and manages four swimming pools across the district, including the gym and café facilities at CBay Aquatic Centre.	Enhanced Lifestyle Connected Citizens	**Private Benefit:** Users of the swimming pool and gym facilities accrue benefits from this activity. Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes. **Community-wide Benefit:** The whole community benefits from the provision of swimming pools in the district.	***Operating Expenditure – Rural Summer Pools*** **Rates: 70-80%** 60% UAGC 40% General Rate **User Charges: 20-30%** Pool user fees, hire fees and other user fees ***Operating Expenditure – CBay*** **Rates: 40-50%** 60% UAGC 40% General Rate **User Charges: 50-60%** Pool and gym fees and membership, hire fees, café sales and other revenue, and other user fees. ***Capital Expenditure*** **Borrowing:**

			Loan costs are funded in the same way as operating expenditure. **Grants:** Council may seek grant funding, fundraising and sponsorship to support capital works.

Theatre Royal/ Heritage Centre

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides and manages the Theatre Royal.	Enhanced Lifestyle Connected Citizens	**Private Benefit:** Users who either hire the Theatre Royal for events and performances, or those who attend events and performances accrue benefits. Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes. **Community-wide Benefit:** The whole community benefits from the provision of the Theatre Royal.	***Operating Expenditure*** **Rates: 80-100%** 60% UAGC 40% General Rate **User Charges: 0-20%** Facility hire fees (Note: Currently the facility is closed, with no revenue being generated. The existing policy will be reviewed for when the new facility is opened). ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure. **Grants:** Council may seek grant funding, fundraising and sponsorship to support capital works.

Roading and Footpaths

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides and maintains the road and footpath network across the district, including bridges and street lighting.	Resilient Infrastructure Diverse Economy	**Community-wide Benefit:** The whole community and visitors benefit from access to the roading and footpath network. **Group Benefit:** Group benefit is provided to residents where footpaths and street lighting and decorative lighting is available. **Private benefit:** Private benefit is provided to developers when they increase connections and usage of the roading network.	***Operating Expenditure – Subsidised works*** **Rates: 40-50%** 70% General Rate 30% UAGC **Subsidies: 50-60%** NZTA Financial Assistance ***Operating Expenditure – Non-subsidised works*** **Rates: 80-90%** 60% General Rate 40% UAGC **Fees and charges: 10-20%** ***Capital Expenditure*** **Borrowing:** Council may decide to loan fund specific projects on a case by case basis. Projects will be assessed based on the expected life of the asset and the impact on rates. Loan costs are funded in the same way as operating expenditure. **NZTA Funding:** Council receives funding from NZTA for qualifying capital projects. The level of funding depends on the annual “financial assistance rate” for TDC and on the work programme approval by NZTA. **Private Contributions:** Council may agree to undertake specified work in addition to its planned work programme at the request of a resident if there is a private contribution.

Cycleways and Walkways

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides and maintains on- and off-road cycleways and walkways throughout the district.	Enhanced Lifestyle Resilient Infrastructure Sustainable Environment	**Private Benefit:** Users of the walkways and cycleways accrue benefits. Note: Council considers that allocating costs only to the users of these facilities would not be practical, would deter use, and would not meet community wellbeing outcomes. **Community-wide Benefit:** The whole community benefits from the provision of walkways and cycleways for recreational and commuting purposes.	***Operating Expenditure*** **Rates: 90-100%** 50% UAGC 50% General Rate **Subsidies: 0-10%** NZTA provide some financial assistance for active transport routes ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure. **Financial contributions:** Council charges financial contributions for the acquisition and development of recreation and open space under the provisions of the District Plan. This funding source may be used in some instances to fund qualifying capital expenditure. **NZTA Funding:** Council receives funding from NZTA for qualifying capital projects. The level of funding depends on the annual "financial assistance rate" for TDC and on the work programme approval by NZTA. **Grants:** Council may seek grant funding, fundraising and sponsorship to support capital works.

Parking Services

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity develops parking facilities across the district and includes the enforcement of Council's parking bylaw and policy.	Resilient Infrastructure Diverse Economy Enhanced Lifestyle	**Private Benefit:** Vehicle users visiting or working in CBDs across the district benefit from the provision of parking. **Group Benefit:** District businesses located within CBD areas benefit through the existence of a service that facilitates business custom	***Operating Expenditure*** **User Charges: 100%** Parking income from fees and infringements ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure. **User Charges:** Parking income from fees and infringements

Wastewater

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for sewer services including the treatment and disposal of sewerage in the urban areas of Timaru, Temuka, Geraldine and Pleasant Point, and Timaru's industrial wastewater.	Resilient Infrastructure Sustainable Environment	**Group and Private Benefit:** Group and private benefit is provided to residents, businesses and industries able to connect to Council's sewer network and trade waste scheme and dispose of wastewater. **Community-wide Benefit:** There is community benefit provided through the health, economic and environmental benefits of having treated	***Operating Expenditure*** **Targeted Rates: 70-80%** Targeted rate for all connected to the sewer services. **Fees and Charges: 20-30%** Fees and charges for new wastewater connections, trade waste charges and other sewer charges ***Capital Expenditure*** **Borrowing:**

		sewerage and industrial waste disposed of safely. **Exacerbator:** Additional costs may be caused through overloading of systems, disposal of hazardous material, illegal connections or incorrect disposal. Costs will be recovered if possible or prosecutions may be taken. Due to benefits being primarily to a group of users, it is appropriate to fund the activity via separate mechanisms. Note: Council does not consider it equitable to fund the community-wide benefit across the district, as residents not able to receive this service must provide their own sewerage collection and disposal.	Loan costs are funded in the same way as operating expenditure. **Financial Contributions:** Amounts to be funded from financial contributions for wastewater services will be determined from Council decisions at the time of development. **Lump Sum Contributions:** Council may seek lump sum contributions from residents at the time of development.

<u>Stormwater</u>

Service Provided	**Community Wellbeing Outcomes**	**Who benefits/creates need?**	**Funding (operating and capital expenditure)**
This activity provides and maintains the stormwater network including treatment and disposal management of stormwater in the urban areas of Timaru, Temuka, Geraldine and Pleasant Point, and some smaller rural schemes.	Resilient Infrastructure Sustainable Environment	**Group Benefit:** Group benefit is provided to the residents and businesses in areas where stormwater facilities are provided and reduce risk from flooding for residents' properties and communities.	***Operating Expenditure*** **Targeted Rate: 100%** 100% Community Works and Services Rate ***Capital Expenditure*** **Borrowing:**

		Community-wide Benefit: Community-wide benefit accrues through protection of assets such as roads and public facilities, and by enabling safe transit for residents within urban areas during rainfall events. There is also community-wide benefit through improved environmental outcomes in stormwater treatment. **Exacerbator:** Additional costs may be caused through illegal connections and incorrect disposal of wastewater. Costs will be recovered if possible or prosecutions may be taken. Due to benefits being primarily community specific, it is appropriate to fund the activity separately by community.	Loan costs are funded in the same way as operating expenditure. **Financial Contributions:** Amounts to be funded from financial contributions for stormwater services will be determined from Council decisions at the time of development. **Lump Sum Contributions:** Council may seek lump sum contributions from residents at the time of development.

Waste Minimisation

Waste Collection

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the kerbside collection of green waste, rubbish and recycling to urban and some rural residents and businesses.	Sustainable Environment Enhanced Lifestyle	**Group Benefit:** Group benefit is provided to owners of properties receiving kerbside collection. **Community –wide Benefit:** The whole community benefits from a system that enables waste separation,	***Operating Expenditure*** **Targeted Rate: 100%** Targeted rate for collection service, additional bins are charged for as a targeted differential (by service type) collection charge. ***Capital Expenditure***

		reduces illegal or incorrect disposal and encourages improved environmental outcomes. **Exacerbator:** Additional costs may be caused through incorrect or illegal disposal. Costs will be recovered where it is economically viable. Due to benefits being primarily to a group of users, it is appropriate to fund the activity via separate mechanisms.	**Borrowing:** Loan costs are funded in the same way as operating expenditure.

Waste Management

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for the provision and management of the Redruth Resource Recovery Park and the Geraldine, Pleasant Point, Temuka and Timaru transfer station facilities, waste minimisation education and monitoring, and closed landfill remediation and monitoring.	Resilient Infrastructure Sustainable Environment	**Private Benefit:** Benefit is accrued by individuals who use the Resource Recovery Park and transfer stations to dispose of household and business waste, green waste and recycling. **Community-wide Benefit:** The whole community benefits from education and monitoring, a system in place to enable safe and efficient waste management, public health and improved environmental outcomes. **Exacerbator:** Additional costs may be caused through incorrect or illegal disposal. Costs will be recovered where it is economically viable.	***Operating Expenditure*** **User Charges: 60-100%** Resource Recovery Park and transfer station charges. **Rates: 0-40%** 100% General Rate ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure.

Water Supply

Service Provided	Community Wellbeing Outcomes	Who benefits/creates need?	Funding (operating and capital expenditure)
This activity provides for safe and effective abstraction of water from the source, and the treatment, storage and distribution of water to urban and rural residents and businesses.	Resilient Infrastructure Enhanced Lifestyle Diverse Economy	**Group and Private Benefit:** Group and Private benefit is provided to all those residents able to connect to Council's drinking water networks. **Community-wide Benefit:** The whole community benefits through safe drinking water being provided in areas of the district that are serviced, maintenance of public health and availability of water for key public services (e.g. firefighting) and amenities (e.g. swimming pools). **Exacerbator:** Additional costs may be caused through illegal connections. Costs will be recovered if possible or prosecutions may be taken. Due to benefits being primarily to a group of users, it is appropriate to fund the activity via separate mechanisms. Note: Council does not consider it equitable to fund the community-wide benefit across the district, as residents not	***Operating Expenditure*** **Targeted Rate: 70-80%** Urban and rural scheme targeted rates for urban schemes and rural scheme targeted rates. **User Charges: 20-30%** Fees and charges for new water connections, and to properties with water meters (per cubic meter) and a small rental contribution ***Capital Expenditure*** **Borrowing:** Loan costs are funded in the same way as operating expenditure. **Financial Contributions:** Amounts to be funded from financial contributions for water supply services will be determined from Council decisions at the time of development. **Lump Sum Contributions:** Council may seek lump sum contributions from residents at the time of development.

		able to receive this service must provide their own drinking water source.	