

# Revenue and Financing Policy

## Introduction

The Revenue and Financing Policy (RFP) outlines the Council's policies on funding sources to be used to fund the operational and capital expenditure of Council's activities and the rationale for their use.

The policy is required by Section 102 and 103 of the Local Government Act 2002 (the Act). The full policy must be included in the Long Term Plan (LTP). Where a change to the policy is made outside of the LTP process, only a significant amendment is required to be audited.

Section 103(2) of the Act allows the following mechanisms to be used for funding the operating or capital expenditure of Council's activities:

- a) general rates, including –
  - i) choice of valuation system; and
  - ii) differential rating; and
  - iii) uniform annual general charges
- b) targeted rates:
  - ba lump sum contributions
  - c) fees and charges:
  - d) interest and dividends from investments:
  - e) borrowing:
  - f) proceeds from asset sales:
  - g) development contributions:
  - h) financial contributions under the Resource Management Act 1991:
    - i) grants and subsidies:
    - j) any other source.

In addition to identifying the sources of funding, the policy must outline why the Council has determined they should be used. A two-step process is required under Section 101 (3) of the Act.

Firstly, for each activity, the Council must consider the following matters:

- The community outcomes to which the activity primarily contributes
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
- The period of time over which benefits occur (intergenerational equity). For example, the benefits of some activities will occur

over the entire life of the asset. This will benefit not only existing generations but future generations who should also contribute towards paying for the cost.

- The extent to which actions or inactions of particular individuals or groups contribute to a need to undertake the activity. Also called the 'exacerbator pays' principle, this suggests that exacerbators should meet at least part of the cost of an activity.
- The costs and benefits from funding the activity distinctly from other activities. This particularly relates to transparency and accountability, but may also relate to factors like the financial scale of the activity (e.g. a small activity may not warrant separate funding due to the cost of establishing systems to support cost recovery).

Secondly, following consideration of these elements, the Council must consider the overall impact of this allocation of liability for revenue needs on the community. This may lead to some changes to the policy where there are particularly negative effects. These are noted under each individual activity.

## Changes to 2015 Revenue and Financing Policy

The following changes are proposed to the previous policy:

- The removal of the Aquatic Centre targeted rate, with funding to be taken from the differentiated General rate and Uniform Annual General Charge to make this consistent with other leisure and recreation facilities
- The removal of subsidised labour and rural fire activities due to these services no longer being provided by the Council
- The addition of borrowing as a funding source for operating expenditure if deemed appropriate, targeted towards large projects (e.g. District Plan review)
- Changes in private funding splits for some activities, the most significant being:
  - Airport (45-55% to 70-80%), due to additional private funding sourced from Airport parking
  - District Planning (20-30% to 10-20%), due to the level of general rate funding required for the district plan review
  - Safer Communities (70-80% to 80-90%), due to the majority of funding received via contract funding for Project

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- Theatre Royal (10-20% to 0-10%), due to the anticipated impact on funding from closure of the Theatre for upgrading
- Roading and Footpaths – splitting this into subsidised roading and other roading
- The addition of volumetric water charging as a funding source for urban supplies
- Minor editing and grammatical changes.

The Council reviews the RFP every three years, in line with its preparation of the Long Term Plan (LTP). Changes to the RFP can be made between reviews, but must go through the appropriate consultation processes. The Act requires the Council to produce a Funding Impact Statement (FIS) annually that illustrates how the RFP is being implemented, provides details on the funding mechanisms to be used and how these rates will be applied.

The policy covers all of the Council's activities, as outlined in the following diagram:

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GROUP OF ACTIVITIES	ACTIVITIES
Democracy	Democracy
Community Support	Airport Community facilities (includes Public Toilets, Cemeteries) Community Funding Economic Development and District Promotions Emergency Management Safer Communities Social Housing
District Planning and Environmental Services	Building Control District Planning Environmental Compliance (includes Environmental Health, Animal Control, Parking Enforcement)
Recreation and Leisure	Cultural and Learning Facilities (includes Art Gallery, Halls, Theatre Royal, Libraries, Museum) Parks (includes Parks, Fishing Huts, Motor Camps, Forestry) Recreational Facilities (includes Caroline Bay Aquatic Centre, Swimming Pools, Southern Trust Events Centre)
Roading and Footpaths	Roading and Footpaths (includes Parking Facilities, Cycleways, Walkways)
Waste Minimisation	Waste Minimisation
Sewer	Sewer
Stormwater	Stormwater
Water Supply	Water Supply

## Funding of Operating Expenditure

Operating expenditure is expenditure on the day to day operations of the Council. The Council has determined that the following sources may be used to fund operating expenditure:

- General rates, including differential rating and a uniform annual general charge
- Targeted rates
- Fees and charges
- Interest and dividends from investments
- Proceeds from asset sales
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies
- Borrowing
- Other sources

The proportion of operating expenditure to be funded by each mechanism is outlined in this policy.

## Funding of Capital Expenditure

Capital expenditure is expenditure on new or existing assets that maintains or increases their value and the level of service to the community. The Council has determined that the following sources may be used to fund capital expenditure:

- General rates, including differential rating and a uniform annual general charge
- Targeted rates
- Lump sum contributions
- Interest and dividends from investments
- Borrowing
- Proceeds from asset sales
- Development contributions
- Financial contributions under the Resource Management Act 1991
- Grants and subsidies
- Reserve funds
- Other sources

The use of these sources will be considered for each capital expenditure project. It will frequently involve a mixture of funding

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sources that will vary over time.

## Council's Funding Approach

The Council provides a wide range of activities to district residents, ratepayers and visitors. Council aims to provide a fair and equitable rating system for all ratepayers. A mixture of rating and other funding mechanisms are used to achieve this. Some constraints exist, such as the ability of Council to only receive 30% of Council revenue from rates set on a uniform basis. This requires Council to use other mechanisms, such as rates set on the land value of properties.

Rates provide the budgeted net funding requirements of the Council work programmes through the Long Term plan. Other sources, such as those listed above can be used as funding sources. Rates are set on each rating unit under the provisions of the Local Government (Rating) Act 2002.

The following principles will help guide the assessment and design of the Council's funding approach:

- Benefits – those who benefit from a Council service or facility should pay for the service, where equitable and administratively efficient. This involves selecting funding sources that are appropriate to the distribution of benefits.
- Exacerbators – those who contribute to the need for a Council facility or service should contribute to the cost of that facility or service
- Equity and fairness – Council will seek to ensure the most equitable and fair funding approach
- Affordability – Council will consider the impact of funding mechanisms on people's ability to pay and seek to ensure that Council facilities, services and rates remain affordable
- Intergenerational equity - each generation of ratepayers should contribute towards the services they receive
- Minimise effects of change - where reviews result in significant funding changes, transitional approaches will be used where possible to ease the financial impact
- Legal compliance – the policy will comply with legal requirements under the Local Government Act 2002 and Local Government (Rating) Act 2002

The application of these principles requires Council to apply judgement and to balance often competing principles. The most equitable solution will be sought for funding each activity using these and the Section 101 analysis required for each activity under the Local Government Act.

Three main types of rates are used:

- 1 General Rates, which are value based rates and can be adjusted through differentials. The Council is able to rate properties based on capital, land or annual value. Timaru District Council uses the land value system.
- 2 Uniform Annual General Charge (UAGC)
- 3 Targeted Rates

## General rates

A 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. This is set on all rateable land in the Timaru District. It is used to fund those services where there is a community benefit across the whole district and where a fixed charge per Rating Unit is not considered appropriate. The objective of differential rating is to ensure a fair and equitable proportion of rates are paid by the various differential categories.

In 2015, it was decided to adjust differentials to increase the proportion paid by the primary (rural) category to improve the overall fairness of the system. Since that time, district properties have been revalued with shifts in the overall value of property categories. As a result, this will affect how much each property category will pay overall towards the general rate.

The Council believes that the existing proportions represent a fair split of the overall payment of the General Rate. As a result, it is proposing adjusting the current differentials to ensure each property category continues to pay the same proportion overall.

The 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.

The Council differentiates the General Rate based on land use (Schedule 2: Local Government (Rating) Act 2002) to the following nine categories:

	Category	Definition
1	Accommodation	All properties used primarily for hotel, motel or similar short term or travellers' accommodation purposes.
2	Commercial - Central	All properties situated within the Timaru Central Business District and used primarily for commercial purposes.
3	Commercial - Other	All properties used primarily for commercial purposes other than those situated in the Timaru Central Business District.
4	Community Services	All properties used primarily for education, religious and/or community purposes.
5	Industrial	All properties used primarily for industrial purposes.
6	Primary	All properties used primarily for agricultural, horticultural or pastoral purposes, including the grazing of animals.
7	Recreational	Properties used primarily for active or passive indoor/outdoor recreational activities.
8	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.
9	Residential – Multi Unit	All properties used primarily for multi-unit residential accommodation, for example, purpose built rental flats.

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## Uniform Annual General Charge

A Uniform Annual General Charge (UAGC) is a fixed charge set per rating unit in the District. The charge enables all ratepayers to make a minimum contribution to the Council's costs, and ensures that higher value properties do not carry a disproportionate amount. This rate also applies to fund those services where community benefits apply across the district. The Council has decided that the level of annual increase in the UAGC will be the same overall percentage increase as the General Rate increase in any given year.

## Targeted Rates

The Council applies Targeted Rates to a number of services where the benefits are clearly received by a particular community or group of ratepayers. These apply to properties who receive certain services or are located in specific areas. The following targeted rates are used:

Targeted rate	Activity
Community Board rate	Various
Community Centre Rate	Halls and Theatres
Community Works and Services rate	Various
Sewer rate	Sewer
Waste Management rate	Waste Minimisation
Water Supply rate	Water Supply

How these rates are set is further described under each activity.

## Target recovery from funding sources

The following table shows the percentage target recovery for each activity from private funding sources organised by 10% bands:

% recovery from private funding sources in 10% bands	Activity
90-100%	Social Housing, Animal Control, Building Control, Fishing Huts, Motor Camps, Forestry, Parking Development, Parking Enforcement, Waste Minimisation, Sewer, Water Supply
80-90%	Safer Communities
70-80%	Airport
60-70%	Cemeteries
50-60%	Aquatic Centre, Environmental Health
40-50%	
30-40%	Subsidised Labour, Roothing and Footpaths - Subsidised Roothing, Swimming Pools
20-30%	Swimming Pools - Rural summer pools
10-20%	Community Funding (5-15%), District Planning, Halls and Community Centres, Aorangi Stadium
0-10%	Democracy, Public Toilets, Emergency Management, Economic Development and District Promotions, Art Gallery, Libraries, Museum, Parks, Roothing and Footpaths - Other, Stormwater, Theatre Royal

Private funding sources (e.g. sewer targeted rate or fees and charges) are used mainly where benefits from services apply to a specific group of people or individuals are the primary beneficiaries or users of a service delivered by the Council. All sources of funding to be used by the Council are summarised in the table below for all Council activities.

## Fees and Charges

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

## Funding of Depreciation

The Council fully funds depreciation on assets with the exception of:

- Roothing – Council does not fully fund depreciation on rooothing because it is continually maintained and renewed, and over 50% of this cost is received as a subsidy. The Council funds a portion of the depreciation based on average subsidy rates.

## Conclusions (Section 101 (3b) consideration)

Timaru District communities are diverse. There are many different users of Council services.

Council's funding approach is a complex assessment of determining where the benefits of Council services apply, what the best methods for funding those services are and how this can be equitably applied across Timaru district communities. Council must also consider affordability both from a ratepayer perspective and for individuals and groups using Council provided services. This ensures that everyone has a reasonable opportunity to access these services.

Council has considered all of these elements and considers the overall funding approach to be fair and equitable.

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## Council Activities

A summary of the rationale for operating expenditure funding sources for Council activities is included below. Each activity includes analysis of the five matters listed above and the funding sources and ratios the Council has identified to be used for each activity:

Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
<b>Democracy</b>						
Democracy	This activity contributes primarily to all of the community outcomes.	Benefits from the activity are for the community generally. Council and community boards are the vehicles for making decisions affecting the whole district.	The activity provides ongoing benefits to the community.	Living in a democratic society contributes to the need for this activity.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 0-10% funded via user fees for hearings etc.
<b>Community Support</b>						
Airport	High quality infrastructure to meet community and business needs  Smart, diversified economic success and growth supported and enabled	Benefits from the airport accrue mainly to users and visitors who travel or who operate, store and maintain personal aircraft.  Community benefits exist through the availability of a facility for air travel from and to South Canterbury. This facility helps enhance and facilitate economic development for the district.	Ongoing benefits to users, visitors and the wider community.  Intergenerational benefits to the community through maintaining and developing a facility for air travel.	The community benefits widely from having airport services available.	Benefits from this activity occur district-wide and beyond. There is no benefit perceived from separate funding.	Public – 20-30%, funded via a Uniform Annual General Charge and a differentiated General Rate.  Private – 70-80%, funded via Airport user fees and charges.
Cemeteries	High quality infrastructure to meet community and business needs  Communities that are safe, vibrant and growing	Specific benefits to families and individuals from the provision of individual gravesites for remembrance and burial.  Wider community benefits from the provision of an interment system that remembers and respects those who have passed away and maintains public health standards through safe disposal of human remains.	Benefits are ongoing to the community.	The community benefits widely from having cemeteries available. In some cases, vandalism and failure to maintain headstones may cause additional costs. Where possible, costs will be recovered if perpetrators are caught.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 30-40%, funded via a Uniform Annual General Charge and a differentiated General Rate.  Private – 60-70%, funded via Cemetery user fees and charges.  Exacerbator – Cost recovery will be achieved where possible.

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Community Funding	Communities that are safe, vibrant and growing A strong identity forged and promoted	Benefits can accrue to particular individuals, groups and organisations through receipt of funding to assist their various activities.  The community benefits through the promotion of activities and events that meet its social, sporting and cultural needs.	Immediate and ongoing. Some benefits may be longer term.	The community benefits from having these funding opportunities available.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 85-95%, funded via a Uniform Annual General Charge and a differentiated General Rate.  Private – 5-15%, funded via various funding agencies, such as Creative New Zealand and interest on loans provided to community organisations.
Emergency Management	Communities that are safe, vibrant and growing People enjoying a high quality of life.	Benefits from Emergency Management accrue across the wider community, as the users of Emergency Management services cannot be identified until after disaster strikes.	Ongoing. Benefits occur now via training and preparedness, during an event and following an event through response and recovery.	In some cases, emergencies could be as a result of human actions, such as sabotage or terrorism.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 100%, funded via a Uniform Annual General Charge and a differentiated General Rate.
Economic Development and District Promotions	Smart, diversified economic success and growth supported and enabled  People enjoying a high quality of life A strong identity forged and promoted	Benefits from economic development and district promotions accrue largely to the community, due to the ongoing economic benefits created from business support, promotion, visitor spending, creation of employment and investment in the potential of the district.  Some benefits may accrue to businesses or individuals using these services (e.g. tourism operators). Any cost recovery for these will be recovered by the organisation carrying out these functions.	Immediate and ongoing for users. Some benefits may be longer term to the community.	The community benefits from having this support available.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.  Private – 0-10%, funded via user fees by funding agencies involved in providing these services or government subsidies.
Public Toilets	High quality infrastructure to meet community and business needs  Communities that are safe, vibrant and growing.	Specific benefits to those who use the facilities.  Benefits to the wider community through having these essential facilities available for residents and visitors and maintaining standards of public hygiene.	Immediate and ongoing benefits to users.  Intergenerational benefits to the community through maintaining and developing these facilities.	The community benefits widely from having public toilets available.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.  Private – 0-10%. Charging for use is difficult, but may be achievable at specific facilities, where financially viable.

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Safer Communities	Communities that are safe, vibrant and growing People enjoying a high quality of life.	There are some private benefits to individuals and groups from the programmes and support offered by Safer Communities and Project Turnaround. Community benefits accrue from contributions made to improving community safety and addressing social issues in the community.	Ongoing.	Offenders contribute to the need for this activity. However, the community generally benefits widely from having this support and opportunities available.	Benefits from aspects of this activity are district-wide and there is no benefit perceived from separate funding.	Public – 10-20%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 80-90%, funded via contracts from Central Government departments.
Social Housing	High quality infrastructure to meet community and business needs.	Benefits from social housing are to tenants of the housing units through provision of affordable accommodation in convenient locations. There is community benefit through the availability of low cost housing to vulnerable groups in the community.	Immediate and ongoing for tenants.	The community benefits from having social housing available.	This activity is self-funding through tenants rentals.	Public – 0%. Private – 100%, funded via user rental income.
<b>District Planning and Environmental Services</b>						
Animal Control	Communities that are safe, vibrant and growing People enjoying a high quality of life.	Benefits from the animal control service accrue mainly to animal owners from the provision of a service that either confines or returns lost or stray animals. The community generally benefits through the enforcement of regulations against aggressive and straying animals.	Immediate and ongoing, but occur mainly in the short- term.	People who do not properly control their animals can be a significant contributor to this activity. In some cases, it can be difficult to identify who these people are.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 0-10%, funded via a Uniform Annual General Charge and differentiated General Rate. Private – 90-100%, funded via Dog Registration and Impounding fees, fines and other fees associated with the activity.
Building Control	Communities that are safe, vibrant and growing People enjoying a high quality of life.	Benefits from building control accrue mainly to users (i.e. people who build or alter buildings) through meeting legislative requirements and building and maintaining safe and sanitary buildings. The community benefits through the enforcement of regulations that ensure safe, sanitary and accessible buildings in which people live, play and work.	Immediate and ongoing to users of the service.	The community benefits widely through having consistent standards available. People who do not comply with legislative regulations may contribute to the need for this activity. In some cases (e.g. property purchase where consent standards are not met), it may be difficult to identify who should pay.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public - 0-10% funded from a differentiated General Rate. Private – 90-100%, funded via various forms of building user fees and charges.

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
District Planning	Communities that are safe, vibrant and growing People enjoying a high quality of life A valued, healthy and accessible environment.	Benefits from district planning services accrue to users of these services (i.e. people seeking permission to undertake a certain activity, Land Information Memorandums) through meeting legislative requirements. There is also often a direct economic benefit received by the applicant (e.g. developers).  The community benefits through protection from adverse environmental, social and cultural impacts, control over the appropriate development of land and buildings, district-wide economic development opportunities, consistent standards for development, education and information and monitoring the impacts of development.	Immediate and ongoing benefits to users.  Intergenerational benefits to the community through protection from adverse impacts.	The community benefits widely through having consistent standards available. People who do not comply with legislative requirements may contribute to the need for this activity. Generally, this is met through additional charges on those people.	Benefits from this activity are district wide and there is no benefit perceived from separate funding.	Public – 80-90%, funded via a differentiated General Rate or loan funding (Note: District Plan review only)  Private/Exacerbators – 10-20%, funded via District Planning user fees and charges.
Environmental Health	Communities that are safe, vibrant and growing People enjoying a high quality of life.	Benefits from environmental health services accrue to individuals, businesses and organisations from the assurance that their premises are of an acceptable and healthy standard to the consumer and meet other legislative requirements (e.g. liquor licensing).  The community benefits through the expectation that public health legislative standards of operation are being met and assurance of a safe and healthy environment for residents and visitors.	Immediate and ongoing to users of the services.	The community benefits widely through having consistent standards available.  People who do not meet appropriate standards of operation can cause additional work for this activity. Generally, this is met through additional charges on those people.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 40-50%, funded via a Uniform Annual General Charge and a differentiated General Rate.  Private/Exacerbators – 50-60%, funded via various user fees and charges associated with this activity. In some cases, these fees and charges are prescribed by government.



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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Parking Enforcement	Communities that are safe, vibrant and growing People enjoying a high quality of life.	Benefits from parking enforcement services accrue to users of these services from being able to use their own transport. District businesses located in township CBD's benefit from the existence of a service that ensures the turnover of parking spaces.	Ongoing and immediate to users and business owners.	People who do not observe parking restrictions (exacerbators) are significant contributors to the need for this activity. Costs are recovered via parking fees and fines for infringements.	This activity is largely funded by exacerbators.	Public – 0 -10%. Private/Exacerbators – 90-100%, funded via a range of parking fees and fines for infringements.
<b>Leisure and Recreation</b>						
Art Gallery	Communities that are safe, vibrant and growing People enjoying a high quality of life A strong identity forged and promoted.	Specific benefits to those who use the facility. Benefits accrue largely to the wider community, through access to the visual arts, appropriate storage and treatment of the art gallery collection, provision of an attraction for residents and visitors, educational opportunities, and through contributions to the cultural strength and diversity of the community. A high level of user recovery may restrict the ability of some people to continue to use these services.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through maintaining and developing a facility for public consumption of art.	The need is created by the community choosing to have a facility for the public consumption of art.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 0-10%, funded via some charges and donations.
Fishing Huts	A valued, healthy and accessible environment	Benefits from fishing huts are enjoyed wholly by those people who choose to lease this type of accommodation from the Council.	Immediate and ongoing to Fishing Hut lessees.	The need is created by people who choose to lease these facilities.	This activity is self-funding	Public – 0%. Private – 100%, funded via the sale of timber and lease revenue.
Forestry	Smart, diversified economic success and growth supported and enabled A valued, healthy and accessible environment.	Benefits from forestry accrue to the public through the generation of income to fund Council activities and storage of carbon to reduce the impact of climate change and meet obligations under climate change agreements.	Immediate and ongoing through generation of income for other Council activities.	There are no specific contributors to the need for this activity.	This activity is self-funding.	Public – 0%. Private – 100%, funded via the sale of timber and lease revenue.

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Halls and Community Centres (including Aorangi Stadium)	High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing.	Direct benefits for individuals and groups who choose to use the facilities for functions and events. Wider community benefits from use of the facilities for public events or gatherings and as a hub in the event of civil defence emergencies. Specific community benefits in some communities where funding is provided to maintain community-owned halls.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through maintaining and developing these facilities.	The community benefits widely from having halls and community centres available.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding. Some halls/centres are funded by rates based on dwellings in the area of the community centres.	Public – 80-90%, funded via a Uniform Annual General Charge and a differentiated General Rate and Targeted Rates for some Halls/ Community Centres. Private – 10-20%, funded via Halls and Community Centres user fees and charges.
Libraries	High quality infrastructure to meet community and business needs Smart, diversified economic success and growth supported and enabled Communities that are safe, vibrant and growing People enjoying a high quality of life.	Direct benefit to individuals who use library services. Wider benefits accrue largely to the community, through contributing to a community that is literate and informed, providing access to information and a community resource. Some costs can be recovered, but a high level of recovery may restrict the ability of some people to continue to use these services.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through maintaining and developing these facilities.	The community benefits widely from having library services available. It is appropriate to charge penalties (i.e. overdue fines) where people do not return items on time.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private/Exacerbators – 0-10%, funded via Libraries user fees, fines and charges.
Motor Camps	Smart, diversified economic success and growth supported and enabled.	Benefits from motor camps are enjoyed by those who lease the facilities for use by groups and individuals. There is some wider economic benefit in having the facilities generally available to the district and for use by tourists and visitors.	Ongoing to those who run the facilities.	There are no specific contributors to the need for this activity.	Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.	Public – 0-10%, funded via a Uniform Annual General Charge and a differentiated General Rate. Private – 90-100%, funded via Motor Camps leases.

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Museum	<p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A strong identity forged and promoted.</p>	<p>Specific benefit to those who use the facility.</p> <p>Benefits accrue largely to the community, through cultural enrichment, information, preservation and presentation of district heritage and community identity. A high level of recovery may restrict the ability of some people to continue to use these services.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing these facilities.</p>	<p>The community benefits widely from having museum services available.</p>	<p>Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.</p>	<p>Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate. This applies where Learning Experiences Outside the Classroom (LEOTC) funding is excluded.</p> <p>Private – 0-10%, funded via Museum user fees and charges, donations and government subsidies (e.g. LEOTC programme).</p>
Parks	<p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A strong identity forged and promoted</p> <p>A valued, healthy and accessible environment</p>	<p>Individuals and groups receive private benefits through their use of parks and sportsfields for recreational pursuits, events, organised sport, health and wellbeing. However, parks are available to the wider community when not used exclusively for these purposes. Specific facilities located on district parks (e.g. skateparks) also provided direct benefits. A high level of cost recovery may restrict the ability of some to use these services.</p> <p>Benefits from parks accrue to the community generally through provision of facilities for individuals and groups to pursue active and passive leisure pursuits, education on the natural environment, adding to community pride and contributions to community health, wellbeing and perceptions of the district.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing these facilities.</p>	<p>The community benefits widely from having parks, gardens and sportsfields available.</p>	<p>Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.</p>	<p>Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private – 0-10%, funded via parks user fees and charges.</p>

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Swimming Pools	<p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A strong identity forged and promoted.</p>	<p>Pool users derive a direct benefit through use of the pool for relaxation, health, sports and fitness, learning to swim and water safety education.</p> <p>Benefits accruing to the wider community include recreational opportunities, education about water safety and swimming and promotion of healthy lifestyles.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing these facilities.</p>	<p>The community benefits widely from having swimming pools available.</p>	<p>Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.</p>	<p>Rural Summer Pools</p> <p>Public – 70-80%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private – 20-30%, funded via Swimming Pool user fees and charges.</p> <p>Aquatic Centre</p> <p>Public – 40-50%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private – 50-60%, funded via Aquatic Centre user fees and charges.</p>
Theatre Royal	<p>High quality infrastructure to meet community and business needs</p> <p>Communities that are safe, vibrant and growing</p> <p>A strong identity forged and promoted.</p>	<p>Theatre Royal users derive direct benefits from either use of the Theatre Royal for events and performances or attendance of performances.</p> <p>Benefits accrue to the community through economic benefits associated with performances and social and cultural benefits gained through the performing arts and entertainment.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing this facility.</p>	<p>The community benefits widely from having the Theatre Royal available.</p>	<p>Benefits from this activity occur district-wide and there is no benefit perceived from separate funding.</p>	<p>Public – 90-100%, funded via a Uniform Annual General Charge and a differentiated General Rate.</p> <p>Private – 0-10%, funded via Theatre Royal user fees and charges.</p>

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
<b>Roading and Footpaths</b>						
Roading and Footpaths	<p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled.</p>	<p>Private benefits accrue to individuals, groups and businesses using the roading and footpaths network to carry out their day-to-day business and activities.</p> <p>Rural landowners, businesses and farms receive specific benefits from a roading network that connects them to the wider district and enables goods and services to be delivered to their properties and farm produce to be sold.</p> <p>Public benefits include equal access for district residents to transport people, goods and services throughout the district, connections to other transport networks, location and property identification, and maintaining an attractive urban environment and streetscape.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing roading and footpath infrastructure.</p>	<p>The community benefits widely from having roading and footpaths infrastructure available. In some cases, additional costs may be caused to Council through vandalism, accidents and activities beyond normal usage.</p>	<p>Benefits from this activity are to private users and district-wide. However, it is impractical to currently charge for private use. For some specific elements (e.g. footpaths), there are specific groups that can be identified for funding</p>	<p>Roading and Footpaths – other: Public – 100%. Funding components of this activity differs and is outlined below:</p> <p>Road/street landscapes – uniform annual general charge and a differentiated general rate.</p> <p>Road carriageways and lighting – differentiated general rate, Uniform Annual General Charge and some NZTA funding assistance.</p> <p>Community footpaths and lighting – undifferentiated community based works and services rate (based on land value).</p> <p>Roading and Footpaths – Subsidised Roding:</p> <p>Public – 40-50% - Funding the Timaru District portion of Roding and Footpaths - subsidised roading is through a differentiated general rate.</p> <p>Private – 50-60% - Funded through New Zealand Transport Agency (NZTA) funding assistance.</p> <p>The NZTA is the main central government source for funding assistance. The Financial Assistance Rate for Timaru District Council is reducing to 51%. This will occur in 2019/20, and will apply for all roading works.</p>

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Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
Cycleways and walkways	High quality infrastructure to meet community and business needs Communities that are safe, vibrant and growing People enjoying a high quality of life.	Private benefits accrue to individuals and specific groups who use these facilities for travel or recreation. Community benefits include equal access for district residents to these facilities, provision of alternative safer and efficient transport options and sustainability benefits in improving environmental outcomes and potentially removing vehicle traffic from the roading network.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through maintaining and developing infrastructure and potential environmental benefits through riparian plantings etc.	The community benefits widely from having cycleways and walkway infrastructure available. In some cases, additional costs may be caused to Council through vandalism.	It is impractical to currently charge for private use. In some circumstances, it may be possible to get government funding to assist in provision of these facilities.	Public – 100%. Funded via a Uniform Annual General Charge and a differentiated general rate, NZTA financial assistance and potential grants or donations from other external sources.
Parking Development	High quality infrastructure to meet community and business needs Smart, diversified economic success and growth supported and enabled.	Private benefits of parking developments are to users of the service through being able to use their own transport and businesses located in township CBD's. Community benefits accrue through the existence of these facilities to maintain and promote economic growth.	Ongoing and immediate to users and business owners.	People using parking facilities are the main contributors to the need for this activity.	This activity is largely funded by users.	Public – 0-10%, funded via a Uniform Annual General Charge and a differentiated general rate. Private – 90-100%, funded via a range of parking fees and fines for infringements.
<b>Sewer</b>						
Sewer	High quality infrastructure to meet community and business needs Smart, diversified economic success and growth supported and enabled Communities that are safe, vibrant and growing People enjoying a high quality of life A valued, healthy and accessible environment.	All properties, both domestic and industrial connected to Council's wastewater system can be readily identified and receive a direct benefit from the service. Provision of a wastewater system is essential community infrastructure and provides numerous public benefits, including the maintenance of public health standards, prevention of disease, economic development opportunities and protection for the environment.	Immediate and ongoing benefits to users. Intergenerational benefits to the community through maintaining and developing sewer infrastructure.	The community benefits widely from having a wastewater system available. Additional costs may be caused through overloading of systems, disposal of hazardous material and illegal connections.	Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity through a targeted rate and fees and charges.	Public – 0%. Private – 100%, funded via a targeted rate for those connected to a sewer system and tradewaste charges. The targeted rate is set uniformly across connected communities to allow for an equitable charge. Council may also be able to fund some of the costs of establishing new or improved wastewater schemes in small communities from central government funding sources.

# Revenue and Financing Policy

Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
<b>Stormwater</b>						
Stormwater	<p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A valued, healthy and accessible environment.</p>	<p>Provision of a stormwater system provides public benefits including safe and efficient management of stormwater, decreased risk from flooding, protection of community infrastructure, treatment of stormwater to protect the environment, maintaining safe transport links during rainfall events and encouraging residential development.</p> <p>Private benefits accrue to property owners connected to a scheme via safe and efficient management of stormwater away from their properties.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing stormwater infrastructure.</p>	<p>The community benefits widely from having a stormwater treatment and management system available.</p>	<p>Because this activity provides predominantly community benefits to specific location, it is considered appropriate to fund the activity separately by community.</p>	<p>Public – 100%, funded via a Community Works and Services targeted rate.</p> <p>Private – 0%.</p>
<b>Waste Minimisation</b>						
Waste Minimisation	<p>High quality infrastructure to meet community and business needs</p> <p>People enjoying a high quality of life</p> <p>A valued, healthy and accessible environment.</p>	<p>Waste Minimisation is considered to have largely private benefits, because it provides a service which householders would otherwise have to arrange for themselves.</p> <p>There are community benefits through preventing illegal dumping and litter, health hazards and damage to the environment. It also helps provide for the safe and efficient disposal of waste and maintenance of public health and environmental standards. The existing system also ensures that goods can be recycled or reused to the benefit of the environment.</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through protection of the environment from adverse impacts.</p>	<p>In some cases, inappropriate disposal of hazardous waste and illegal dumping (fly-tipping) causes additional costs to the community. Costs will be recovered if it is possible and economically viable to do so.</p>	<p>It is appropriate to recover the private benefit via a separate funding mechanism.</p>	<p>Public – 0-10%, funded via a Uniform Annual General Charge and a differentiated general rate.</p> <p>Private – 90-100%, funded via a differentiated (by service type – i.e. standard/large) targeted rate and user fees and charges.</p>

# Revenue and Financing Policy

Activity Outcomes	Community Outcomes (primary contribution)	Who benefits	Period of benefits	Whose actions create a need for the activity	Costs and benefits of separate funding	Operating Expenditure Funding Sources
<b>Water Supply</b>						
Water Supply	<p>High quality infrastructure to meet community and business needs</p> <p>Smart, diversified economic success and growth supported and enabled</p> <p>Communities that are safe, vibrant and growing</p> <p>People enjoying a high quality of life</p> <p>A valued, healthy and accessible environment.</p>	<p>There are significant direct benefits to consumers connected to a Council piped water scheme including access to potable drinking water for domestic, business, industrial and stockwater uses.</p> <p>Provision of water supplies provides public benefits including community access to potable water, maintenance of public health and availability of water for key public services and amenities (e.g. firefighting, swimming pools).</p>	<p>Immediate and ongoing benefits to users.</p> <p>Intergenerational benefits to the community through maintaining and developing water supply infrastructure.</p>	<p>The community benefits widely from having a water supply system available.</p>	<p>Because the benefits of this activity are predominantly private, it is considered appropriate to fund the activity separately through targeted rates and water supply fees and charges.</p>	<p>Public – 0%.</p> <p>Private – 100%, funded via targeted rates for those connected to a water supply system and water charges (urban, commercial/industrial users) and land and volume-based water fees and charges in rural areas. There is also a small rental contribution. The targeted rate is set uniformly across urban connected communities to allow for an equitable charge.</p> <p>Council may be able to fund some of the costs of establishing improved or new water supply schemes in small communities from central government funding sources.</p>