

**Revenue and Financing Policy**

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**Recommendation**

That Council adopt the Revenue and Financing Policy as presented, including the amendments to utilisation of proceeds of asset sales and additions to funding analysis tables.

**Purpose of Report**

- 1 The purpose of the report is to present amendments to the Revenue and Financing Policy for adoption.
- 2 Due to administrative oversight the above resolution was not included in the accompanying report "Adoption of the 2025/26 Annual Plan".

**Assessment of Significance**

- 3 The Revenue and Financing Policy is a key Council policy, providing the framework for the funding of Council activities.
- 4 Changes to this policy can have a significant impact, particularly on how the liability of funding Council activities is apportioned to different parts of the community.
- 5 The proposed amendments, although of themselves assessed as low according to the Significance and Engagement Policy, were included in the overall assessment of the draft Annual Plan which was assessed as having medium to high significance at the 15 April 2025.
- 6 As a result of this assessment, Council undertook community consultation in accordance with section 82 of the Local Government Act 2002 (LGA) to seek feedback from the community on the proposed amendments.

**Background**

*Two amendments that were consulted on*

- 7 In the preparation of the Annual Plan, officers identified and proposed two amendments to the Revenue and Financing Policy.
- 8 These proposed changes were to clauses 6.7, 6.8 and 7.2, relating to how the proceeds of asset sales are utilised.
- 9 The proposed changes to clauses 6.7 and 6.8 will give Council greater flexibility to reprioritise capital, as well as requiring reasoned decisions for any reprioritisation.
- 10 The proposed change to clause 7.2 means that the proceeds of asset sales may not fund operational expenditure unless Council specifically resolves in each instance that it is prudent to do so. It is proposed that an \$80,000 threshold is set to distinguish between the use of

proceeds from high value asset sales, for example property, and lower value asset sales, for example laptops.

- 11 Nine submitters expressed a view on these changes during the Annual Plan consultation.
- 12 A majority of responses stated themes expressed in response to other questions and were not directly relevant to the proposed changes to the policy.
- 13 Where submissions were relevant to the changes to the policy, respondents were mixed. One felt that it was appropriate for Council to redirect proceeds of asset sales to support its priorities. Another was concerned that Council may redirect proceeds of asset sales without due consultation or transparency.
- 14 During deliberations on the Annual Plan on 27 May, Council indicated that it supported amending the Revenue and Financing Policy as per the proposed wording consulted on. These changes have been prepared for adoption (see attached, with track changes).

#### *Amendments based on submission by Rooney Group*

- 15 The Rooney Group submission on the Draft Annual Plan which identified a lack of specificity in the Revenue and Financing Policy.
- 16 Officers met with Mr Hole on 19 June to discuss the matter, present these proposed amendments, and invite his feedback. Mr Hole was invited to, and did, present at Public Forum at the 24 June Council meeting.
- 17 Officers consider that this process in response to Rooney Group's submission meets the requirements of Council's Significance and Engagement Policy and its obligations under s 82 of the LGA.
- 18 The amendments were discussed in the 24 June 2025 agenda and meeting that day.

#### **Discussion**

- 19 It is acknowledged that technically this paper is one day late according to the timeframes under the Local Government Official Information and Meetings Act. However given the limited scope of the amendments, the extensive prior consultation through the Annual Plan process, the agendas, reports and meetings to date, Officers are comfortable recommending the adoption of the preferred option.

#### **Options and Preferred Option**

##### **Option One (Preferred)**

- 20 Adopt the Revenue and Financing Policy as presented, including the amendments to utilisation of proceeds of asset sales and additions to funding analysis tables.
- 21 Officers consider that these changes are prudent and clarify current practice.

##### **Option Two**

- 22 Do not adopt the changes to the Revenue and Financing Policy as presented and provide officers with direction on further changes.

#### **Consultation**

- 23 Officers consider community and targeted consultation undertaken to date in conjunction with the draft Annual Plan 2025/26 meets the legislative requirements within the LGA and Council's Significance and Engagement Policy.

**Relevant Legislation, Council Policy and Plans**

- 24 Revenue and Financing Policy
- 25 Timaru District Council Long Term Plan 2024-34
- 26 Local Government Act 2002

**Financial and Funding Implications**

- 27 This report has no direct financial implications.
- 28 Any decisions that Council makes utilising the amendments to the policy – such as a decision to relocate the proceeds of an asset sale from one activity to another – will have financial implications that will be fully considered at the time as part of that decision making process and reporting; they are not a matter for this report.

**Other Considerations**

- 29 There are no other considerations.

**Attachments**

- 1. Revenue and Financing Policy - 2025 review with track changes

# Revenue and Financing Policy



Approved by: Timaru District Council

Date approved: 1 July 2024 TBC

## 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.<sup>1</sup>

**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.

<sup>1</sup> 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 assessed 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. Proceeds may be invested, used to fund capital expenditure or operating expenditure associated with the activity which held the original asset.
- 6.8. Council may, in exceptional circumstances, choose to use proceeds of asset sales for expenditure in another 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.

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## 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.

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**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 through 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	<b>Community-wide Benefit:</b> Benefits the whole community by supporting the decision-making function, representation, advocacy, communication and engagement for all residents.	<p><b>Operating Expenditure</b>  <b>Rates: 90-100%</b>            50% UAGC            50% General Rate            0-10% Targeted Community Board Rates  <b>User Charges: 0-10%</b>            Hearings fees etc</p> <p><b>Capital Expenditure</b>  <b>Borrowing:</b>            Loan costs are funded in the same way as operating expenditure.</p>



**Community Support****Airport**

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

**Cemeteries**

<b>Service Provided</b>	<b>Community Wellbeing Outcomes</b>	<b>Who benefits/creates need?</b>	<b>Funding (operating and capital expenditure)</b>
This activity provides for the maintenance and development of cemeteries across the district, including burials and interments.	Resilient Infrastructure Enhanced Lifestyle	<p><b>Private Benefit:</b> Users of cemetery facilities, largely family and friends of deceased, receive the primary benefit.</p> <p><b>Community-wide Benefit:</b> 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.</p>	<p><b>Operating Expenditure</b> <b>User Charges: 40-70%</b> Plot purchases and interment fees <b>Rates: 30-60%</b> 60% UAGC 40% General Rate</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

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**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	<p><b>Group Benefit:</b> 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.</p> <p><b>Community-wide Benefit:</b> The funding criteria for the grants and loans is designed to support groups which provide benefits through their activities to the whole community.</p>	<p><b>Operating Expenditure</b> <b>Rates: 85-95%</b> 80% UAGC 20% General Rate <b>Grants: 5-15%</b> Funding received from various funding agencies <b>Interest: 5-15%</b> Interest on loans provided to community groups</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

**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	<p><b>Community-wide Benefit:</b> The primary benefit is to the people and property of the whole district, enabling planning to mitigate the harm, and to recover from emergencies.</p>	<p><b>Operating Expenditure</b> <b>Rates: 100%</b> 50% UAGC 50% General Rate</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

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**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	<b>Community-wide Benefit:</b> 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.	<b>Operating Expenditure</b> <b>Rates: 100%</b> 80% General Rate 20% UAGC  <b>Capital Expenditure</b> <b>Borrowing:</b> 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	<b>Community-wide Benefit:</b> This activity provides community-wide benefit through supporting the economic growth and development of the district.  <b>Private Benefit:</b> Some benefits may accrue to businesses or individuals using the services this activity provides, e.g. tourism operators.	<b>Operating Expenditure</b> <b>Rates: 90-100%</b> 80% General Rate 20% UAGC <b>User Charges: 0-10%</b> User fees for services provided by Economic Development Agency <b>Other: 0-10%</b> Government grants or subsidies  <b>Capital Expenditure</b> <b>Borrowing:</b> 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	<p><b>Community-wide Benefit:</b> This activity provides community-wide benefit through supporting the economic growth and development of the central business district in Timaru.</p> <p><b>Private Benefit:</b> Some benefits may accrue to businesses or individuals using the services this activity provides, e.g. central business owners.</p>	<p><b>Operating Expenditure</b> <b>Rates: 100%</b> 100% Targeted Rate</p>

**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	<p><b>Private Benefit:</b> 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.</p> <p><b>Community-wide Benefit:</b> The whole community benefits through the provision of public toilets and maintaining public hygiene.</p>	<p><b>Operating Expenditure</b> <b>Rates: 90-100%</b> 70% UAGC 30% General Rate <b>User Charges: 0-10%</b> User pays may be achievable at some facilities.</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

**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	<b>Private Benefit:</b> The tenants of the social housing units benefit from this activity.	<b>Operating Expenditure</b> <b>User Charges: 100%</b> Rental income from tenants.  <b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.  <b>Grants:</b> Council may seek grant funding and sponsorship to support capital works.

**Environmental Services****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	<b>Private Benefit:</b> The owners of animals, particularly dogs, benefit from, and create the need for this activity.  <b>Community-wide Benefit:</b>	<b>Operating Expenditure</b> <b>User Charges: 90-100%</b> Dog registrations, impounding, infringement and other fees and fines. <b>Rates: 0-10%</b> 100% General Rate  <b>Capital Expenditure</b>

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		The whole community benefits from this activity minimising the negative impact of wandering and aggressive animals.	<b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.
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#### 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	<b>Private Benefit:</b> The benefits from this activity mainly accrue to building owners through ensuring they have met legislative requirements.  <b>Community-wide Benefit:</b> The whole community benefits through this activity ensuring buildings across the district are safe, sanitary and accessible.	<b>Operating Expenditure</b> <b>User Charges: 70-80%</b> Various fees and charges relating to building control services. <b>Rates: 20-30%</b> 100% General Rate  <b>Capital Expenditure</b> <b>Borrowing:</b> 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	<b>Private Benefit:</b> When individuals seek private plan changes they accrue the benefit.  <b>Community-wide Benefit:</b> The whole community benefits from a District Plan that enables sustainable development within the district.	<b>Operating Expenditure</b> <b>Borrowing:</b> 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. <b>Rates: 90-100%</b>

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			<p>Rate funding will be utilised for all other policy work. 100% General Rate <b>User Charges: 0-10%</b> Fees for private plan changes.</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>
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**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	<p><b>Private Benefit:</b> Those individuals seeking resource consent or other services primarily benefit from this activity.</p> <p><b>Community-wide Benefit:</b> There is some benefit to the whole community to ensure consents are processed and monitored through enabling sustainable development.</p> <p><b>Exacerbators:</b> Individuals may contribute to costs through lack of compliance requiring ongoing monitoring and enforcement.</p>	<p><b>Operating Expenditure</b> <b>User Charges: 80-90%</b> Various fees and charges relating to the resource consenting and other district planning process. <b>Rates: 10-20%</b> 100% General Rate</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

**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	<p><b>Private Benefit:</b> The benefits accrue to the individuals and businesses that require the services of this activity to meet legislative requirements.</p> <p><b>Community-wide Benefit:</b> The whole community benefits through the provision of a safe and healthy environment and standards of operation being enforced.</p> <p><b>Exacerbators:</b> Individuals may contribute to costs through lack of compliance requiring ongoing monitoring and enforcement.</p>	<p><b>Operating Expenditure</b> <b>User Charges: 50-60%</b> Various fees and charges associated with this activity. <b>Rates: 40-50%</b> 50% UAGC 50% General Rate</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

**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	<p><b>Private Benefit:</b> Users of the Aigantighe Art Gallery benefit for their use of the facility.</p> <p>Note: Council considers that allocating costs only to the users of this facility would</p>	<p><b>Operating Expenditure</b> <b>Rates: 90-100%</b> 60% UAGC 40% General Rate <b>User Charges: 0-10%</b> User charges and donations</p>

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		<p>not be practical, would deter use, and would not meet community wellbeing outcomes.</p> <p><b>Community-wide Benefit:</b> 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.</p>	<p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure. <b>Bequests:</b> Bequests and donations also fund the purchase of some art pieces and may be used to support other capital works. <b>Grants:</b> Council may seek grant funding and sponsorship to support capital works.</p>
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#### 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	<p><b>Private Benefit:</b> The owners of the huts on these sites benefit from this activity.</p>	<p><b>Operating Expenditure</b> <b>User Charges: 100%</b> Lease income</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

**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	<b>Community-wide Benefit:</b> The whole community benefits from the income generated from the harvest of the trees and the carbon credits provided.	<b>Operating Expenditure</b> <b>Proceeds from asset sales: 100%</b> Harvest of trees <b>User Charges: 100%</b> Lease income for forestry blocks  <b>Capital Expenditure</b> <b>Borrowing:</b> 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	<b>Private Benefit:</b> 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.  <b>Community-wide Benefit:</b> The whole community benefits from the provision of halls and community centres for recreation, events and civil defence.	<b>Operating Expenditure</b> <b>Rates: 80-90%</b> 60% UAGC 40% General Rate <b>User Charges: 10-20%</b> Hire fees for the facilities Lease and sponsorship income  <b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure. <b>Grants:</b>

			Council may seek grant funding, fundraising and sponsorship to support capital works.
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**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	<p><b>Private Benefit:</b> 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.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from the access to the district libraries through access to information, community resources and a hub for social interaction.</p>	<p><b>Operating Expenditure</b> <b>Rates: 90-100%</b> 60% UAGC 40% General Rate <b>User Charges:</b> Charges for some services and fines.</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure. <b>Bequests:</b> Bequests and donations also fund the purchase of some library resources. <b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works.</p>

#### 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	<p><b>Private Benefit:</b> The individuals who lease the motor camps and those who visit the motor camps accrue benefits from this activity.</p> <p><b>Community-wide Benefit:</b> The community as a whole benefits through the provision of these facilities for visitors to the district and wider economic benefits.</p>	<p><b>Operating Expenditure</b>  <b>User Charges: 90-100%</b>                      Lease income and camping fees  <b>Rates: 0-10%</b>                      60% UAGC                      40% General Rate</p> <p><b>Capital Expenditure</b>  <b>Borrowing:</b>                      Loan costs are funded in the same way as operating expenditure.</p>

#### 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	<p><b>Private Benefit:</b> 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.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from the access to the South Canterbury Museum</p>	<p><b>Operating Expenditure</b>  <b>Rates: 90-100%</b>                      60% UAGC                      40% General Rate</p> <p><b>User Charges: 0-10%</b>                      User charges and donations</p> <p><b>Capital Expenditure</b>  <b>Borrowing:</b>                      Loan costs are funded in the same way as operating expenditure.</p>

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		through cultural enrichment, education and preservation of district heritage.	<b>Bequests:</b> Bequests and donations also fund the purchase of some museum resources and some operating expenses. <b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works and some operating expenses (e.g. Learning Outside The Classroom (LEOTC))
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#### 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	<b>Private Benefit:</b> 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. <b>Community-wide Benefit:</b> 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.	<b>Operating Expenditure</b> <b>Rates: 90-100%</b> 60% UAGC 40% General Rate  <b>User Charges: 0-10%</b> Sport ground leases and user charges  <b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure. <b>Lump Sum Contributions:</b> Some capital contributions paid for facilities (e.g. sports surfaces) by user groups. <b>Financial Contributions:</b> Council charges financial contributions for the acquisition and development of recreation and open space

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			<p>under the provisions of the District Plan. This funding source may be used in some instances to fund qualifying capital expenditure.</p> <p><b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works.</p>
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**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	<p><b>Private Benefit:</b> 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.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from the provision of swimming pools in the district.</p>	<p><b>Operating Expenditure – Rural Summer Pools</b> <b>Rates: 70-80%</b> 60% UAGC 40% General Rate</p> <p><b>User Charges: 20-30%</b> Pool user fees, hire fees and other user fees</p> <p><b>Operating Expenditure – CBay</b> <b>Rates: 40-50%</b> 60% UAGC 40% General Rate</p> <p><b>User Charges: 50-60%</b> Pool and gym fees and membership, hire fees, café sales and other revenue, and other user fees.</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b></p>

			<p>Loan costs are funded in the same way as operating expenditure.</p> <p><b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works.</p>
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**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	<p><b>Private Benefit:</b> 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.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from the provision of the Theatre Royal.</p>	<p><b>Operating Expenditure</b> <b>Rates: 80-100%</b> 60% UAGC 40% General Rate</p> <p><b>User Charges: 0-20%</b> 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).</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure. <b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works.</p>

**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	<p><b>Community-wide Benefit:</b> The whole community and visitors benefit from access to the roading and footpath network.</p> <p><b>Group Benefit:</b> Group benefit is provided to residents where footpaths and street lighting and decorative lighting is available.</p> <p><b>Private benefit:</b> <u>Private benefit is provided to developers when they increase connections and usage of the roading network.</u></p>	<p><b>Operating Expenditure – Subsidised works</b>  <b>Rates: 40-50%</b>  70% General Rate  30% UAGC  <b>Subsidies: 50-60%</b>  NZTA Financial Assistance</p> <p><b>Operating Expenditure – Non-subsidised works</b>  <b>Rates: 80-90%</b>  60% General Rate  40% UAGC</p> <p><b>Fees and charges: 10-20%</b></p> <p><b>Capital Expenditure</b>  <b>Borrowing:</b>  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.</p> <p><b>NZTA Funding:</b>  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.</p> <p><b>Private Contributions:</b>  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.</p>

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## 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	<p><b>Private Benefit:</b> 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.</p> <p><b>Community-wide Benefit:</b> The whole community benefits from the provision of walkways and cycleways for recreational and commuting purposes.</p>	<p><b>Operating Expenditure</b> <b>Rates: 90-100%</b> 50% UAGC 50% General Rate <b>Subsidies: 0-10%</b> NZTA provide some financial assistance for active transport routes</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure. <b>Financial contributions:</b> 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. <b>NZTA Funding:</b> 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. <b>Grants:</b> Council may seek grant funding, fundraising and sponsorship to support capital works.</p>

**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	<p><b>Private Benefit:</b> Vehicle users visiting or working in CBDs across the district benefit from the provision of parking.</p> <p><b>Group Benefit:</b> District businesses located within CBD areas benefit through the existence of a service that facilitates business custom</p>	<p><b>Operating Expenditure</b> <b>User Charges: 100%</b> Parking income from fees and infringements</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure. <b>User Charges:</b> Parking income from fees and infringements</p>

**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	<p><b>Group and Private Benefit:</b> Group <u>and private</u> benefit is provided to residents, businesses and industries able to connect to Council's sewer network and trade waste scheme and dispose of wastewater.</p> <p><b>Community-wide Benefit:</b> There is community benefit provided through the health, economic and environmental benefits of having treated</p>	<p><b>Operating Expenditure</b> <b>Targeted Rates: 70-80%</b> Targeted rate for all connected to the sewer services. <b>User Fees and Charges: 20-30%</b> <u>Fees and charges for new wastewater connections, trade waste charges and other sewer charges</u></p> <p><b>Capital Expenditure</b> <b>Borrowing:</b></p>

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		<p>sewerage and industrial waste disposed of safely.</p> <p><b>Exacerbator:</b> 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.</p> <p>Due to benefits being primarily to a group of users, it is appropriate to fund the activity via separate mechanisms.</p> <p>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.</p>	<p>Loan costs are funded in the same way as operating expenditure.</p> <p><b>Financial Contributions:</b> Amounts to be funded from financial contributions for wastewater services will be determined from Council decisions at the time of development.</p> <p><b>Lump Sum Contributions:</b> Council may seek lump sum contributions from residents at the time of development.</p>
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**Stormwater**

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	<p><b>Group Benefit:</b> 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.</p>	<p><b>Operating Expenditure</b> <b>Targeted Rate: 100%</b> 100% Community Works and Services Rate</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b></p>

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		<p><b>Community-wide Benefit:</b> 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.</p> <p><b>Exacerbator:</b> Additional costs may be caused through illegal connections and incorrect disposal of wastewater. Costs will be recovered if possible or prosecutions may be taken.</p> <p>Due to benefits being primarily community specific, it is appropriate to fund the activity separately by community.</p>	<p>Loan costs are funded in the same way as operating expenditure.</p> <p><b>Financial Contributions:</b> Amounts to be funded from financial contributions for stormwater services will be determined from Council decisions at the time of development.</p> <p><b>Lump Sum Contributions:</b> Council may seek lump sum contributions from residents at the time of development.</p>
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#### 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	<p><b>Group Benefit:</b> Group benefit is provided to owners of properties receiving kerbside collection.</p> <p><b>Community –wide Benefit:</b> The whole community benefits from a system that enables waste separation,</p>	<p><b>Operating Expenditure</b> <b>Targeted Rate: 100%</b> Targeted rate for collection service, additional bins are charged for as a targeted differential (by service type) collection charge.</p> <p><b>Capital Expenditure</b></p>

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		<p>reduces illegal or incorrect disposal and encourages improved environmental outcomes.</p> <p><b>Exacerbator:</b> Additional costs may be caused through incorrect or illegal disposal. Costs will be recovered where it is economically viable.</p> <p>Due to benefits being primarily to a group of users, it is appropriate to fund the activity via separate mechanisms.</p>	<p><b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>
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#### 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	<p><b>Private Benefit:</b> 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.</p> <p><b>Community-wide Benefit:</b> 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.</p> <p><b>Exacerbator:</b> Additional costs may be caused through incorrect or illegal disposal. Costs will be recovered where it is economically viable.</p>	<p><b>Operating Expenditure</b> <b>User Charges: 60-100%</b> Resource Recovery Park and transfer station charges. <b>Rates: 0-40%</b> 100% General Rate</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p>

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**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	<p><b>Group <u>and Private</u> Benefit:</b> Group and Private benefit is provided to all those residents able to connect to Council's drinking water networks.</p> <p><b>Community-wide Benefit:</b> 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).</p> <p><b>Exacerbator:</b> Additional costs may be caused through illegal connections. Costs will be recovered if possible or prosecutions may be taken.</p> <p>Due to benefits being primarily to a group of users, it is appropriate to fund the activity via separate mechanisms.</p> <p>Note: Council does not consider it equitable to fund the community-wide benefit across the district, as residents not</p>	<p><b>Operating Expenditure</b> <b>Targeted Rate: 70-80%</b> Urban and rural scheme targeted rates for urban schemes and rural scheme targeted rates.</p> <p><b>User Charges: 20-30%</b> <u>Fees and c</u>Charges for <u>new</u> water <u>connections</u>, <u>and supplied</u> to properties with water meters (per cubic meter) and a small rental contribution</p> <p><b>Capital Expenditure</b> <b>Borrowing:</b> Loan costs are funded in the same way as operating expenditure.</p> <p><b>Financial Contributions:</b> Amounts to be funded from financial contributions for water supply services will be determined from Council decisions at the time of development.</p> <p><b>Lump Sum Contributions:</b> Council may seek lump sum contributions from residents at the time of development.</p>

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