

# Revenue & Financing Policy

**Draft – last reviewed 14 April 2021**

## 1. Policy purpose

The purpose of the Revenue & Financing Policy is to provide predictability and certainty about sources and levels of funding available to the council. It explains the rationale for, and the process of, selecting various tools to fund the operating and capital expenditures of the Council.

## 2. Introduction

The Revenue & Financing Policy is largely the same that was used in Council's previous Long Term Plan. The Rural fire activity has been removed due to this service no longer being provided by council. Council is therefore proposing no significant changes. There has been a change to the way the funding splits are described in the policy these are now in percentage bands rather than one set percentage as in our previous policy.

## General policies on funding and sources of funding

### The distribution of benefits

For the purpose of allocation of costs of each Council activity among individuals, groups of individuals and the entire community, it is essential to identify the beneficiaries and the relevant cost of the service used. Economic theory provides three concepts that could be applied to share costs according to beneficiaries.

#### Public Goods

At one extreme are the pure public goods which have two defining characteristics: non-rivalry and non-excludability.

Non-rivalry means that consumption by one party does not reduce the amount of that good or service available to others. In other words, there is no extra cost involved in the consumption of such good or service increases. So the cost is not related to the amount consumed (e.g. Libraries).

Non-excludability means that it is impossible or extremely costly and difficult to exclude anyone from consuming if they do not pay for the good or the service.

If a good or service has both these two characteristics, it is a pure public good and it will not be possible to allocate the costs to the users of the good or the service.

Because of this, the costs of such goods and services need to be borne by the public as a whole (through rates). Parks and reserves are an example of a service that has the characteristics of a public good.

#### Private Goods

At the other extreme are the pure private goods that have the opposite characteristics – rivalry and excludability. If the service provided by Council benefits identifiable parties and the costs related to the services used by them can be allocated directly to them, such services are called private goods. The costs of these services can be recovered from the consumers in the form of user charges or targeted rates.

#### Positive Externalities

The consumption of private goods and services can result in benefits to third parties – people who don't directly use them. These "spill over effects" or "positive externalities" are also called public or social benefits. They might include the contribution that public toilets make to tourism, libraries, museums and parks make to the social and cultural life and vibrancy of a city. The existence of externalities call for the sharing of costs between the private beneficiaries and the community as a whole. The differentiation of private and public goods and the identification of externalities are necessary for the strict apportionment of costs between private beneficiaries and the community as a whole. However, a clear differentiation is not easy because, in reality, very few goods and services can be treated as pure private or public; most goods and services have some characteristics of both private and public goods (mixed goods). This leads to the adoption of a mix of funding mechanisms.

#### General rates and differentials

Council uses general rates as the main source of funding of activities where individual beneficiaries cannot be identified and the allocation of costs to them is not practical or cost effective; or where a part of the benefits accrue to the whole community (directly or indirectly as externalities). The general rates are split into two categories:

1. The Uniform Annual General Charge – which is a fixed charge per rating unit, the whole District pays the same amount; and

## 2. General rates – calculated on property value.

In its decision making on rating policies, including differentials, Council has considered the factors set out in the Local Government Act 2002.

### Choice of rating system

Council uses the Land Value system to apportion the general rates that are calculated on property value. That is, the total rate requirement arrived at through the Annual Plan process is allocated to properties on the basis of their land value.

Council has considered which rating system is:

- Fairest for most people;
- Easiest for people to understand;
- Efficient for Council to administer; and
- Supported by the public.

In late 2008 public consultation indicated that there was a strong preference in the community for land value rating. Council therefore resolved to continue to rate based on land value. Council has determined that the view of the community has not significantly changed.

### Rating differentials

Council has considered the level of benefit from all of Council's services and has attempted to identify any major differences in benefit between different categories of ratepayers.

This is a difficult exercise as each individual ratepayer uses, or benefits from, a slightly different mix of Council services. Some people use libraries more than average, while others make greater use of the District's roads. Also, every ratepayer is a stakeholder in the future of the District and will therefore benefit to some extent from the provision of services such as libraries and roads which create a District worth living in.

### Operational expenditure

Where expenditure does not create a new asset for future use, or extend the lifetime or usefulness of an existing asset, it is classed as operating expenditure. Most of Council's day-to-day expenditure comes into this category. Council generates sufficient cash inflow from revenue sources (including rates) to meet cash outflow requirements for operating expenditure over the long term.

Operating expenditure includes the overhead costs. The way in which Council allocates its overheads to different areas of Council operation is important for the Revenue and Financing Policy, particularly for services that are funded fully or mostly from user charges. For these services it is important that overheads are generally allocated on a similar basis as if these services were being operated by the private sector – otherwise users may be asked to pay too much.

Council also faces a number of costs that the private sector does not. These costs (such as running Council meetings and holding elections, as well as legal and policy advice, advocacy and consultation) are not treated as an overhead but rather treated as activities in their own right, and are funded on a stand-alone basis.

Operational expenditure includes depreciation.

Each funding method is described in more detail below, including the situations in which Council will use each method.

### General rates

Funding from general rates is applied to those activities where it has been deemed that there is a general District-wide benefit to providing the service or where there would be an economic inefficiency to implement a targeted rate.

### Targeted rates

Funding from targeted rates is applied to specific activities where it has been deemed that there is a direct benefit to those ratepayers receiving a particular service (eg Council reticulated water supply).

### Fees and charges

Where Council has deemed there is a direct or partial benefit to the end user (e.g. building control), it is done through fees and charges. For activities where enforcement action is necessary, the "exacerbator pays principle" applies where practical.

The price of the service is set taking account of a number of factors. These could include:

- The cost of providing the service.
- The estimation of the users' private benefit from using the service
- The impact the cost has to encourage or discourage behaviours.
- The impact the cost has on demand for the service.
- Market pricing, including comparability with other councils.

- The impact of rates subsidies if competing with local businesses.
- The cost and efficiency of revenue collection mechanisms.
- The impact of affordability on users.
- Other matters as determined by the Council.

### Interest

Council receives the majority of its interest relating to the special funds it has set aside. The interest earned on these funds is transferred to the special funds balances. A small amount of interest is returned from time to time where Council has excesses of cash on hand, which is used to offset administration (internal) costs.

### Borrowing

Not generally used for operating expenditure, except for bridge financing of Port deficits until revenue levels rise to meet all operational expenditure (refer financial strategy for further information).

### Proceeds from asset sales

A few assets – a very small fraction of Council's total value – do not currently make a contribution to the identified community outcomes, except in terms of the revenue they generate. In these cases the benefit to Council and the community from owning the asset is measurable simply as the rate of return.

Council will consider selling such assets where the rate of return from owning the asset is lower than the financial benefit to ratepayers of selling and of using the proceeds of sale to repay debt and/or transfer to Special Funds. In its considerations, Council will take into account the risk associated with continuing to own the asset, and the risks associated with Council's total debt.

Council may consider the sale of parks or roads where any sale and consequent use of funds would have an overall benefit to the community. The same principle will be applied to other individual assets that are part of an essential service provided by Council.

Not generally used for operating expenditure. The exception is for port activities where sale of endowment land is used to offset any current and/or prior year operational losses.

### Development contributions

Not currently levied.

### Financial contributions (under the Resource Management Act 1991)

Financial contributions are charged where new development creates increased demand on maintenance of reserves.

### Grants and subsidies

Council receives the majority of grants and subsidies in the form of financial assistance from the New Zealand Transport Agency (NZTA) and these are used as an operational source of revenue for roading where applicable. Grants and subsidies are used in other activities wherever feasible and it is financially prudent to draw down any such funds. Council acts as funding conduit for local service organizations accessing Crown funding assistance.

### Other sources

Special funds are funds which have either been received by Council from a third party to be used in a specific way (Restricted Funds) or monies tagged by Council to be applied for a specific purpose or area of benefit (Non Restricted Funds). Special funds are used:

- Where funds have been accrued specifically for the purpose; and/or
- Where the expenditure is unexpected and unavoidable.

Operational costs include the funding of any depreciation.

### Capital expenditure

Capital costs, for the purpose of this policy, is spending on assets that provide the community with a service over a longer period of time than operating expenditure.

Capital expenditure is the category of spending which creates a new asset, or extends the lifetime of an existing asset. The following sources are available for Council to fund capital expenditure (the costs of replacing an existing asset are not included here as these costs are progressively expensed as depreciation).

Funding sources:

### General rates

Capital expenditure is not generally funded from rates. Council may opt to fund some capital expenditure from rates where the rates take is within Council's rates increase limit as set in the Financial Strategy and is in keeping with the principles of prudent financial management.

### Targeted rates

Funding from targeted rates is applied to specific activities where it has been deemed that there is a direct benefit to those ratepayers receiving a particular service (eg Council reticulated water supply).

Capital expenditure is not generally funded from rates. Council may opt to fund some capital expenditure from rates where this is in keeping with the principles of prudent financial management.

### Fees and charges

Capital expenditure is not generally funded from fees and charges. Council may opt to fund some capital expenditure from here where this is in keeping with the principles of prudent financial management.

### Interest

Council receives the majority of its interest relating to the special funds' it has set aside. The interest earned on these funds is transferred to the special funds balances. Council may use the return on these funds to fund capital projects

### Borrowing

Borrowing is an appropriate funding mechanism to smooth the peaks in capital expenditure. It also enables the costs of major developments to be borne by those who ultimately benefit from the expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community over the period during which benefits from that expenditure accrue. It is not prudent or sustainable for all capital expenditure to be funded from borrowings and Council must balance prudence against equity.

Council will fund capital expenditure in the following priority order:

1. Financial Contributions for growth projects
2. Grants and Subsidies available
3. Available rates funding where the rates rise fits within Council's set rates increase limits.
4. Loans

The overriding limits on borrowing are set out in the Liability Management and Investment Policies.

### Lump sum contributions

Council appreciates that the benefits of capital expenditure are more appropriately spread over the life of the period the benefit is available. On this basis, the preference is to loan fund the expenditure and meet the required loan repayments through revenue such as targeted rates. However Council will, in particular circumstances, consult with affected communities on the options of collecting a lump sum contribution as is available under the rating legislation, to fund the capital costs of new wastewater schemes or water supply.

### Proceeds from asset sales

A few assets – a very small fraction of Council's total value – do not currently make a contribution to the identified council outcomes, except in terms of the revenue they generate. In these cases the benefit to Council and the community from owning the asset is measurable simply as the rate of return.

Council will consider selling such assets where the rate of return from owning the asset is lower than the financial benefit to ratepayers of selling and of using the proceeds of sale to repay debt and/or transfer to Special Funds. In its considerations, Council will take into account the risk associated with continuing to own the asset and the risks associated with Council's total debt.

Council may consider the sale of parks or roads where any sale and consequent use of funds would have an overall benefit to the community. The same principle will be applied to other individual assets that are part of an essential service provided by Council.

Proceeds from asset sales are generally set aside for future use in line with Council's policy on Special Funds. The exception is for Port activities, where sale of endowment land is used to offset any current and/or prior year operational losses.

### Development contributions

Not currently levied.

### Financial contributions (under the Resource Management Act 1991)

Financial Contributions are charged where the demand for Council development in the present and future is from new development.

### Grants and subsidies

Council receives the majority of grants and subsidies in the form of financial assistance from the New Zealand Transport Agency (NZTA). Subsidies are also used for the development of other infrastructure such as water reticulation and sewage disposal when made available.

### Other sources

Special funds are funds which have either been received by Council from a third party to be used in a specific way (Restricted Funds) or monies tagged by Council to be applied for a specific purpose or area of benefit (Non Restricted Funds). Special funds are used:

- Where funds have been accrued specifically for the purpose; and/or
- Where the expenditure is unexpected and unavoidable.

### Funding sources of capital costs for Council activities

The above principles will be deliberated when Council is considering any new capital project, and the funding tools used may therefore vary project by project. It is therefore difficult, and inaccurate to try and represent capital funding of each activity graphically.

Please refer to the below **funding needs analysis** – capital expenditure for each of the funding sources that will be considered.

## Funding Sources Council activities

Activity	Rates	Subsidies	User Fees	Borrowing	Other
Land Transport	19% - 58%	35% - 73%	1% - 3%	0% - 17%	0% - 20%
Stormwater	55% - 100%	0% - 45 %	0% - 20%	0% - 32 %	0% - 20%
Flood prevention	55% - 100%	0% - 45 %	0% - 20%	0% - 32 %	0% - 20%
Wastewater (sewerage)	62% - 100%	0% - 38 %	2% - 5%	0% - 35 %	0% - 20%
Water supply	25% - 95%	0% - 55%	2% - 9%	0% - 15 %	0% - 20%
Refuse Collection/Landfill & recycling	40% - 80%	2% - 5%	15% - 30%	0% - 40%	0% - 20%
District Planning	50 % - 79%	0% - 20 %	15% - 20%	0%	0% - 20%
Building Control	45% - 60%	0% - 20 %	49% - 55%	0%	0% - 20%
Health Regulation	60% - 80%	0%	20% - 40%	0%	0% - 20%
Dog/Stock Control	15% - 43%	0%	22% - 60%	0% - 60%	0% - 20%
Other Regulation	44% - 82%	0% - 20 %	7% - 20%	0%	0% - 20%
Greymouth Aerodrome	25% - 86%	0% - 20 %	10 % - 40%	0%	0% - 60%
Parking	35% - 46 %	0% - 20 %	30% - 65%	0%	0% - 20%
Port of Greymouth	5% - 91%	0% - 20 %	5% - 50%	0% - 42%	0% - 20%
Retirement Housing	0%	0% - 20 %	80% -100%	0% - 20%	0% - 20%
Property	0%	0% - 20 %	10% & - 30%	0% - 40%	50% - 95%
Libraries	50% - 99%	0% - 20 %	0% - 1%	0% - 50%	0% - 20%
Heritage, Arts & Culture	60% - 80%	0% - 20 %	1% - 5%	20% - 35%	0% - 20%
Recreation Centre (incl. Swimming Pools)	50% - 67%	0% - 20 %	30% - 50%	0%	0% - 20%
Cemeteries	75% - 90%	0% - 20 %	10% - 15%	0%	0% - 20%
Parks and Tracks	75% - 100%	0% - 20 %	0% - 5%	0% - 20%	0% - 20%
Council's In-house task force	80% - 100%	0% - 20 %	0%	0%	0% - 20%
Public Restrooms	45% - 100%	0% - 20 %	0%	0% - 30%	0% - 25%
Council	85% - 95%	0% - 20 %	0% - 5%	0%	0% - 20%
Public consultation	80% - 100%	0% - 20 %	0%	0%	0% - 20%
Council's Administration	0% - 10%	0% - 20 %	0% - 5%	0%	85% - 95%
Economic development	95% - 100%	0% - 20 %	0% - 5%	0%	0% - 20%

## 4. Funding needs analysis – operational expenditure

Includes depreciation that is funded.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Roading & footpaths	Land transport	<p><b>Economic</b> Strong Diverse Sustainable Prosperous</p> <p><b>Social</b> Safe Connected Enabled</p> <p><b>Environment</b> Practical Resilient Strategic</p>	Community	Ongoing	Users	Significant activity, Accountability	MAJOR		MINOR	MAJOR				MINOR <i>(petroleum tax)</i>	<p>Council will endeavour to gain the most advantageous financial assistance for both the immediate to medium term, with the balance of funding to be met from general rates.</p> <p>The District requires an efficient transport network for economic viability, so there is a mix of direct benefit to the users of the network and general benefit to the whole district. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the district</p>
Management of Stormwater systems	Stormwater	<p><b>omic</b> g inable erous</p> <p><b>al</b></p> <p><b>ronment</b> ical ent egic</p>	Users Community	Ongoing	Landowners	Significant activity, Accountability	MAJOR								<p>The District requires efficient stormwater systems for economic viability, so there is a mix of direct benefit to the users of the systems and general benefit to the whole district. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the district</p>
Flood prevention. This includes maintaining urban watercourses	Stormwater	<p><b>Economic</b> Strong Sustainable Prosperous</p> <p><b>Social</b> Safe Enabled</p> <p><b>Environment</b> Practical Resilient Strategic</p>	Community	Ongoing	Landowners	Significant activity, Accountability	MAJOR								<p>The District requires efficient flood protection assets for economic viability, so there is a mix of direct benefit to the users of the systems and general benefit to the whole district. It is therefore deemed most appropriate for the rates share to be met by way of a general rate set differentially across the district</p>

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Wastewater (sewerage) collection, treatment, and disposal	Wastewater	<b>Economic</b> Strong Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Practical Resilient Strategic	Users	Ongoing	Users	Significant activity, Accountability		MAJOR	MINOR	MINOR					Properties connected to Council schemes create the need for Council to operate and maintain schemes. It is therefore deemed most appropriate for the rates share to be met by way of a targeted rate.
Water supply - treatment and reticulation	Water Supply	<b>Economic</b> Strong Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Practical Resilient Strategic	Users	Ongoing	Users	Significant activity, Accountability		MAJOR	MINOR						Properties connected to Council schemes create the need for Council to operate and maintain schemes. It is therefore deemed most appropriate for the rates share to be met by way of a targeted rate.
Refuse/Recycling collection	Solid waste management	<b>Economic</b> Strong Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Practical Resilient Strategic	Individuals, businesses	Ongoing	Users	Significant activity, Accountability		MAJOR							There is a direct benefit for those properties that can have their waste collected, therefore a targeted rate is struck to cover these costs.



Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Landfill and recycling management	Solid waste management	<b>Economic</b> Strong Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Practical Resilient Strategic	Users, Community	Ongoing	Users	Significant activity, Accountability	MAJOR		MAJOR	MINOR					The demand for the operation and maintenance of facilities is created by the present community Excess users of refuse collection pay additional user fees Those that use facilities direct cover the relevant costs by way of user fees There is a District wide benefit to having a compliant facility; therefore other costs are covered by a separate general rate set differentially across the district
Civil Defence and Emergency Management	Environmental Services	<b>Economic</b> Strong Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Practical Resilient Strategic	Individuals, Community	Ongoing	Community	Has unique funding requirements, Accountability	MAJOR			MINOR					The demand for management of civil defence is created by the present community There is a District wide benefit to having a managed service; therefore other costs are covered by a general rate set across the district.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale		
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other	
District Planning	Environmental services	<b>Economic</b> Strong Diverse Sustainable Prosperous <b>Social</b> Safe  <b>Cultural</b> Proud Unique Inter-connected vibrant  <b>Environment</b> Bold Practical Resilient Strategic	Individuals, Community	Ongoing	Individuals, Groups, Businesses	Has unique funding requirements, Accountability	MAJOR		MODERATE							Planning provides current and on-going benefits through the sustainable development of Council/Community vision The majority of benefit for the costs of consent processing goes to the applicant, and this is reflected in user fees. Policy and strategy aspects are considered to have predominantly public benefit and are funded from general rates
Building Control	Environmental services	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Practical Resilient Strategic	Individuals, Community	Ongoing	Individuals, Groups, Businesses	Has unique funding requirements, accountability	MODERATE		MAJOR					MINOR		Building control provides current and on-going benefits through the sustainable development of Council/Community vision The majority of benefit for the costs of consent processing goes to the applicant, and this is reflected in user fees. Policy and strategy aspects are considered to have predominantly public benefit and are funded from general rates
Health Regulation	Environmental services	<b>Economic</b> Strong Sustainable Prosperous  <b>Social</b> Safe	Individuals, Community	Ongoing	Businesses	Has unique funding requirements, Accountability	MAJOR		MODERATE							Health regulation - Direct inspection and licensing costs are recovered from premises involved. Health regulation - As there is a collective benefit remaining costs are met by the general ratepayer. (Public Goods)

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale		
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other	
Animal Control	Environmental services	<b>Economic</b> Strong Sustainable  <b>Social</b> Safe  <b>Environment</b> Practical Resilient Strategic	Individuals, Community	Ongoing	Individuals	Has unique funding requirements, Accountability	MODERATE		MAJOR							The benefit of having effective dog control is shared equally by all in the district. As the need for the activity is created by dog owners, the majority of costs are to be met by those generated the need
Other Regulation	Environmental services	<b>Economic</b> Strong Sustainable  <b>Social</b> Safe  <b>Environment</b> Practical Resilient Strategic	Individuals, Community	Ongoing	Individuals	Has unique funding requirements, Accountability	MAJOR		MODERATE							Enforcement - Whilst in principle the ideal would be to recover the majority of costs from those creating the demand (exacerbator) the reality is it is inherently difficult to recover the costs. Enforcement - As there is a collective benefit remaining costs are met by the general ratepayer.
Greymouth Aerodrome	Commercial and Property	<b>Economic</b> Strong Diverse Sustainable  <b>Social</b> Safe  <b>Environment</b> Practical Resilient Strategic	Users	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MODERATE							With limited commercial use and restrictions thereof the current facility is restricted in the amount of funds recovered directly from the users. As an integral part of Council's lifelines function with respect to accessibility and how Council can respond to civil emergencies. This has a District wide benefit
Parking	Commercial and property	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Connected	Community, businesses	Ongoing	Users, Businesses	Has unique funding requirements, Accountability	MAJOR		MAJOR							Costs are recovered from users of dedicated parking facilities Parking Regulation/ enforcement costs are recovered from fines General benefit available to all by having accessible parking in main commercial area plus no charge for on-street parking, therefore a general rate input appropriate.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Port of Greymouth	Commercial and Property	<b>Economic</b> Strong Sustainable  <b>Social</b> Safe  <b>Environment</b> Practical Resilient Strategic	Users	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MODERATE		MODERATE	MODERATE <i>(to fund operating deficits in the short term)</i>		MAJOR <i>(lease revenue)</i>	With limited commercial use and restrictions thereof the current facility is restricted in the amount of funds recovered directly from the users. As an integral part of Council's lifelines function with respect to accessibility and how Council can respond to civil emergencies. This has a District wide benefit
Retirement Housing	Commercial and Property	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Inclusive Connected Enabled  <b>Cultural</b> Proud Inter-connected	Individuals	Ongoing	Users	Has unique funding requirements, Accountability			MAJOR						Costs not significantly impacted by actions or inactions of individuals or groups. No compelling case to provide rates funding based on affordability or wider social consideration. Appropriate policy for this activity.
Property	and Property	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Enabled  <b>Environment</b> Practical Resilient Strategic	Individuals	Ongoing	Users	Has unique funding requirements, Accountability			MAJOR					MAJOR <i>(internal recoveries against activities)</i>	Costs of providing municipal buildings are recovered from the activities supported (internal recoveries) Other recoveries are from occupiers of Council property, such as land leases and tenants. Investment returns on previous sales of Council property are used as a source of funds (given the diminished return as council divests property).

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Libraries	Community facilities	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Inclusive Connected Enabled  <b>Cultural</b> Proud Unique Inter-connected Vibrant  <b>Environment</b> Practical Resilient	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MINOR	MINOR					User fees recovered where practical and to a level deemed affordable for users. Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Swimming Pools	Community facilities	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Inclusive Connected Enabled  <b>Cultural</b> Inter-connected, vibrant  <b>Environment</b> Practical Resilient	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MODERATE						User fees recovered where practical and to a level deemed affordable for users. Provides a general benefit to the district having quality facilities - balance of costs met through general rates

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Heritage, Arts & Culture	Community facilities	<p><b>Economic</b> Strong Diverse Sustainable Prosperous</p> <p><b>Social</b> Safe Inclusive Connected Enabled</p> <p><b>Cultural</b> Proud Unique Inter-connected Vibrant</p>	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR	MODERATE	MINOR						<p>User fees recovered where practical and to a level deemed affordable for users.</p> <p>Provides a general benefit to the district having quality facilities - balance of costs met through general rates</p>
Indoor Sport Centres	Community facilities	<p><b>Economic</b> Diverse Strong Sustainable Prosperous</p> <p><b>Social</b> Safe Inclusive Connected Enabled</p> <p><b>Cultural</b> Proud Unique Inter-connected, Vibrant</p> <p><b>Environment</b> Practical Resilient</p>	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MAJOR						<p>User fees recovered where practical and to a level deemed affordable for users.</p> <p>Provides a general benefit to the district having quality facilities - balance of costs met through general rates</p>

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale		
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other	
Cemeteries	Community facilities	<p><b>Economic</b> Sustainable Social Inclusive Connected</p> <p><b>Cultural</b> Proud Unique Inter-connected</p> <p><b>Environment</b> Practical Resilient</p>	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MODERATE	MINOR						<p>User fees recovered where practical and to a level deemed affordable for users.</p> <p>Provides a general benefit to the district having quality facilities - balance of costs met through general rates</p>
Parks and Tracks	Community facilities	<p><b>Economic</b> Diverse Strong Sustainable Prosperous</p> <p><b>Social</b> Safe Inclusive Connected Enabled</p> <p><b>Cultural</b> Proud Unique Inter-connected Vibrant</p> <p><b>Environment</b> Practical Resilient</p>	Individuals, Groups	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR		MINOR							<p>User fees recovered where practical and to a level deemed affordable for users.</p> <p>Provides a general benefit to the district having quality facilities - balance of costs met through general rates</p>

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Council's In-house task force	Community facilities	<b>Economic</b> Diverse Strong Sustainable  <b>Social</b> Safe Inclusive Connected Enabled  <b>Cultural</b> Proud Unique Inter-connected  <b>Vibrant</b> Environment Practical Resilient	Community	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR								Provides a general benefit to the district having quality facilities - balance of costs met through general rates
Public Restrooms	Community facilities	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Practical Resilient	Individuals, Community	Ongoing	Users	Has unique funding requirements, Accountability	MAJOR								Provides a general benefit to the district having quality facilities



Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale			
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other		
Council	Democracy & administration	<b>Economic</b> Strong Diverse Sustainable  <b>Social</b> Safe Inclusive Connected Enabled  <b>Cultural</b> Proud Unique Inter-connected Vibrant  <b>Environment</b> Practical Resilient Strategic	Community	Ongoing	Community	Has unique funding requirements, Accountability	MAJOR									MINOR <i>(interest revenue)</i>	Represents the cost of democracy across the district and therefore recovered from all ratepayers via general rates.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Public consultation	Democracy & administration	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Inclusive Connected Enabled  <b>Cultural</b> Proud Unique Inter-connected Vibrant  <b>Environment</b> Bold Practical Resilient Strategic	Community	Ongoing	Community	Has unique funding requirements, Accountability	MAJOR								Represents the cost of democracy across the district and therefore recovered from all ratepayers via general rates.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale		
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other	
Council's Administration	Democracy & administration	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Inclusive Connected Enabled  <b>Cultural</b> Proud Unique Inter-connected Vibrant  <b>Environment</b> Bold Practical Resilient Strategic	Community	Ongoing	Community	Has unique funding requirements, Accountability	MINOR <i>(rate penalties)</i>		MINOR						MAJOR <i>(internal recoveries from activities)</i>	The majority of costs are recovered via an overhead allocation against other activities based on the appropriate cost drivers

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale		
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other	
Economic development	Democracy & administration	<p><b>Economic</b> Strong Diverse Sustainable Prosperous</p> <p><b>Social</b> Safe Inclusive Connected Enabled</p> <p><b>Cultural</b> Proud Unique Inter-connected Vibrant</p> <p><b>Environment</b> Bold Practical Resilient Strategic</p>	Individuals, businesses Community	Ongoing	Individuals, businesses	Has unique funding requirements, Accountability	MODERATE	MAJOR		MODERATE						Seek external subsidies where possible. Commercial/Industrial ratepayers receive benefit of economic development and promotion – contribute via a targeted rate. Balance non-exclusive service providing benefit to the wider community

## 5. Funding needs analysis – new capital expenditure

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Roading & footpaths	Land transport	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Inclusive Connected Enabled  <b>Environment</b> Practical Resilient	Community	Ongoing	Users, Growth	Significant activity, Accountability	MAJOR			MAJOR	MODERATE		MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers Council will endeavour to gain the most advantageous financial assistance for both the immediate to medium term, with the balance of funding to be met from general rates.
Management of Stormwater systems	Stormwater	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Bold Practical Resilient Strategic	Users Community	Ongoing	Landowners, Growth	Significant activity, Accountability					MODERATE	MAJOR	MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Flood prevention. This includes maintaining urban watercourses	Stormwater	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Bold Practical Resilient Strategic	Community	Ongoing	Landowners, Growth	Significant activity, Accountability					MODERATE	MAJOR	MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.
Wastewater (sewerage) collection, treatment, and disposal	Wastewater	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Bold Practical Resilient Strategic	Users	Ongoing	Users, Growth	Significant activity, Accountability				MAJOR	MODERATE	MAJOR	MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.
Water supply - treatment and reticulation	Water Supply	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Bold Practical Resilient Strategic	Users	Ongoing	Users, Growth	Significant activity, Accountability				MAJOR	MODERATE	MAJOR	MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new ratepayers. Increased levels of service will be funded from special funds and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Landfill and recycling management	Solid waste management	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe  <b>Environment</b> Bold Practical Resilient Strategic	Users, Community	Ongoing	Users, Growth	Significant activity, Accountability					MINOR	MAJOR			New capital is driven by the need for additional landfill capacity. Majority of costs are loan funded to be repaid over the useful life of the asset.
Greymouth Aerodrome	Commercial and Property	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Connected  <b>Environment</b> Resilient	Users	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR			With limited commercial use and restrictions thereof the current facility is restricted in the amount of funds recovered directly from the users. As an integral part of Council's lifelines function with respect to accessibility and how Council can respond to civil emergencies. This has a District wide benefit
Parking	Commercial and Property	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Connected Enabled	Community, businesses	Ongoing	Users, Businesses	Has unique funding requirements, accountability					MAJOR	MAJOR	MINOR		New capital is driven by growth and demand for increased levels of service. Growth based demand will be funded from developers and new users. Increased levels of service will be funded from special funds and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Port of Greymouth	Commercial and Property	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Connected  <b>Environment</b> Practical Resilient Strategic	Users Business	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR			For the development of new facilities much of the benefit will be gained by future users therefore any expenditure will be funded over the period of benefit, after any specific funds set aside are utilised.
Retirement Housing	Commercial and Property	<b>Economic</b> Sustainable  <b>Social</b> Safe Inclusive Connected Enabled  <b>Cultural</b> Proud Inter-connected	Individuals	Ongoing	Users, Growing demand	Has unique funding requirements, accountability				MODERATE	MODERATE	MAJOR			New capital driven by increased demand for facilities. Council will endeavour to obtain any available subsidies with remaining costs to be met from specific funds set aside and borrowing.
Property	Commercial and Property	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Enabled	Individuals	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR	MAJOR <i>(internal recoveries from activities)</i>		Costs of providing municipal buildings are recovered from the activities supported (internal recoveries) Other recoveries are from occupiers of Council property, such as land leases and tenants. Investment returns on previous sales of Council property are used as a source of funds (given the diminished return as council divests property).



Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Libraries	Community facilities	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Inclusive Connected Enabled  <b>Cultural</b> Proud Unique Inter-connected Vibrant  <b>Environment</b> Bold Practical Resilient Strategic	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability	MAJOR		MINOR		MODERATE	MODERATE			New collection additions are progressively added from annual rates/user fee revenue. New library development would be funded from specific funds set aside and borrowing
Swimming Pools	Community facilities	<b>Economic</b> Strong Diverse Sustainable Prosperous  <b>Social</b> Safe Inclusive Connected Enabled  <b>Cultural</b> Proud Unique Inter-connected, Vibrant	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability				MAJOR	MODERATE	MODERATE			New facilities expected to be funded largely from external fundraising with remaining costs to be met from specific funds set aside and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source						Rationale		
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing		Developers	Other
Heritage, Arts & Culture	Community facilities	<p><b>Economic</b> Strong Diverse Sustainable Prosperous</p> <p><b>Social</b> Safe Inclusive Connected Enabled</p> <p><b>Cultural</b> Proud Unique Inter-connected, Vibrant</p> <p><b>Environment</b> Bold Practical Resilient Strategic</p>	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability				MAJOR	MODERATE	MODERATE			New facilities expected to be funded largely from external fundraising with remaining costs to be met from specific funds set aside and borrowing.
Indoor Sport Centres	Community facilities	<p><b>Economic</b> Strong Diverse Sustainable Prosperous</p> <p><b>Social</b> Safe Inclusive Connected Enabled</p> <p><b>Cultural</b> Proud Unique Inter-connected Vibrant</p>	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability				MAJOR	MODERATE	MODERATE			New facilities expected to be funded largely from external fundraising with remaining costs to be met from specific funds set aside and borrowing.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Cemeteries	Community facilities	<p><b>Economic</b> Diverse Sustainable</p> <p><b>Social</b> Safe Inclusive Connected Enabled</p> <p><b>Cultural</b> Proud Unique Inter-connected Vibrant</p> <p><b>Environment</b> Practical Resilient,</p>	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability					MAJOR	MODERATE			For the development of new facilities much of the benefit will be gained by future communities therefore any expenditure will be funded over the period of benefit, after any specific funds set aside are utilised.
Parks and Tracks	Community facilities	<p><b>Economic</b> Strong Diverse Sustainable Prosperous</p> <p><b>Social</b> Safe Inclusive Connected Enabled</p> <p><b>Cultural</b> Proud Unique Inter-connected Vibrant</p> <p><b>Environment</b> Practical Resilient Strategic</p>	Individuals, Groups	Ongoing	Users	Has unique funding requirements, accountability					MAJOR	MODERATE			For the development of new facilities much of the benefit will be gained by future communities therefore any expenditure will be funded over the period of benefit, after any specific funds set aside are utilised.

Activity	Group of activity	Community outcomes	Who benefits	Period of benefit	Whose act creates a need	Rationale for separate funding	Funding source							Rationale	
							General rates	Targeted rates	User charges	Subsidies	Special funds	Borrowing	Developers		Other
Public Restrooms	Community facilities	<b>Economic</b> Sustainable  <b>Social</b> Safe  <b>Environment</b> Practical Resilient	Individuals, Community	Ongoing	Users	Has unique funding requirements, accountability					MODERATE	MAJOR			For the development of new facilities much of the benefit will be gained by future communities therefore any expenditure will be funded over the period of benefit, after any specific funds set aside are utilised.