

Draft Revenue and Financing Policy

Introduction

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

It is an important instrument of Council's financial management because how the activities are funded can have a significant impact on the financial viability of council services as well as on the overall impact of any allocation of liability for revenue needs on the community.

The Revenue and Financing Policy is required by section 102 of the Local Government Act 2002 (LGA). The policy requirements are included in sections 101 and 103 of the LGA.

The Revenue and Financing Policy identifies the sources of funding the Council has decided upon for its activities. In addition to identifying the sources of funding, the RFP must outline why the Council has determined that they should be used. A two-step process is required under section 101(3) of the LGA.

Step one involves determining the appropriate funding sources for each activity. In doing so, Council must consider the following under section 101(3)(a) of the LGA:

- *The community outcomes to which the activity primarily contributes* (why the service is provided) and how funding might promote the achievement of these outcomes.
- *The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals* (user/beneficiary pays principle). Those who benefit from a service or facility should be considered in determining who pays for it.
- *The period in or over which those benefits are expected to occur* (intergenerational equity principle). The benefits of some activities will occur over the entire life of an asset. This may benefit not only current generations but future generations who should also contribute toward the cost.
- *The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity* (exacerbator pays principle). Those who cause the need for an activity should contribute to the cost of that activity.
- *The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.* For example, the benefits of transparency and accountability may be outweighed by the cost of establishing systems to support cost recovery for small activities.

Draft Revenue and Financing Policy

All of these matters must be considered, with no single criterion given a greater weight than the others. Council must use its judgement and balance often competing principles.

In step two, Council must consider the overall impact of this allocation of liability for revenue needs on the community under section 101(3)(b) of the LGA. Changes may be required where there are particularly negative effects. Matters the Council may consider could include:

- Does the overall outcome support the strategic direction of the Council?
- Does the funding approach support the community outcomes desired? Will the policy act as a barrier to the accessibility of the activity?
- Is the proposed funding approach legally compliant e.g. does it meet restrictions on the level of fixed rates able to be charged?
- Does the proposed funding approach take account of affordability issues e.g. the likely impact on ratepayers on fixed incomes?
- What incentives will the policy have for development of the district?
- How is the burden of funding distributed across differing sectors of the community?
- What are the size and materiality of any shifts in funding, and how do these affect the community?
- Is the mix of funding sources sustainable in the long term?
- Is the mix of funding sources fair and equitable?

Funding mechanisms

The sources of funding available to Council are as follows:

Rates – there are three main types of rates:

- General rates
- Uniform annual general charge (UAGC)
- Targeted rates

Rates are governed by the Local Government (Rating) Act 2002 (LGRA).

General rates are used to fund activities where Council believes there is benefit to the whole of the community across the district. The majority of Council's activities are funded by general rates.

General rates must be based on a property valuation system (land value, capital value or annual value) and assessed across all rateable properties in the district.

Council has reviewed its choice of valuation system and has determined to continue to use land value for the general rate.

Council uses differentials to alter the incidence of the land value based general rates. The differentials mitigate the effects of a valuation-based rate which would otherwise place an unfair burden on higher value properties, to ensure a fair and equitable proportion of the rates are paid by the various differential categories.

Draft Revenue and Financing Policy

Setting a differential rate does not increase the rating income, it merely allocates the rates requirement in a different way from a pure value-based system.

Council's differential categories for the general rate are based on land use and area as set out below:

Commercial

Properties used for commercial or industrial purposes

Properties not used for commercial or industrial purposes that are:

Residential

less than 0.5 hectares

greater than or equal to 0.5 hectares but less than 1 hectare

greater than or equal to 1 hectare but less than 2 hectares

greater than or equal to 2 hectares but less than 3 hectares

Farming

greater than or equal to 3 hectares but less than 4 hectares

greater than or equal to 4 hectares but less than 5 hectares

greater than or equal to 5 hectares but less than 10 hectares

greater than or equal to 10 hectares

For each differential category Council sets a rate per dollar of rateable land value.

Definitions of the differential categories and the rate per dollar of land value for each category are included in the Funding Impact Statement.

Uniform annual general charge (UAGC) is a fixed charge set per separately used or inhabited part of a rating unit (SUIP). The UAGC ensures all ratepayers make a minimum contribution to Council's costs for the services Council provides. It ensures that higher value properties do not carry a disproportionate amount of the cost burden. The UAGC, like the general rate, funds services that benefit the whole of the community across the district.

Council sets the UAGC each year during its Annual Plan deliberations, giving consideration to the factors outlined above in step two of the process (section 101(3)(b) of the LGA) and the 30% cap on rates set on a uniform basis (excluding water and wastewater).

Targeted rates can be set in relation to all rateable land within the district, or one or more categories of rateable land outlined in Schedule 2 of the LGRA (e.g. the use to which the land is put, the area of land within the rating unit, where the land is situated). Targeted rates can be set on a uniform basis or differentially for different categories of rateable land.

Council uses targeted rates for activities where the benefits are clearly received by a specific group of ratepayers, where the activity warrants separate funding for transparency purposes or where Council believes a different rating basis than that used for general

Draft Revenue and Financing Policy

rates is appropriate (e.g. capital value rather than land value and UAGC).

Targeted rates apply to the following activities:

- Roding
- Footpaths and berms
- Wastewater
- Water supply
- Stormwater
- CBD maintenance
- Earthquake strengthening

In response to significant costs arising as a result of natural disasters, the Council may introduce an additional targeted rate for a specified period to fund the cost of reinstatement.

Fees and charges may be imposed to recover either the full or a part of the cost of services provided to reflect the private benefit to a specific user.

Fees and charges include:

- Entry fees
- Hireage
- Regulatory charges
- Memberships
- Trade waste fees
- Private works
- Permit and consent fees

- Rent, lease and licences for land and buildings
- Service charges
- Fines and penalties
- Connection fees
- Retail sales

Fees and charges may be influenced by:

- The costs involved in providing the activity.
- The estimate of private benefit in using the service.
- The ability to identify users and levy and collect fees and charges in an administratively efficient manner.
- The impact of fees and charges on the achievement of community outcomes. For example, swimming pool fees do not recover the full cost of the private benefits because this would discourage usage when Council wishes to promote usage for the recreation, health and aquatic safety of the community.
- The impact of fees and charges on demand for the service. Setting a fee too high may reduce usage of a facility and impose a greater cost on ratepayers e.g. venue hireage rates at Council venues such as the War Memorial Centre. For regulatory activities, setting fees too high for consents related to projects with key health and safety risks (e.g. consents for solid fuel heaters) may mean people avoid the consenting process and expose themselves to risk.
- Legislative provisions relating to the activity which may state fees must be based on principles such as “reasonable cost” or where the fees are specifically set by legislation e.g. the Sale and Supply of Alcohol Act 2012.

Draft Revenue and Financing Policy

- Affordability.
- Acceptable market rates.
- The level of fees at other Councils.

Council reviews its fees and charges on a regular basis to ensure that increases in costs are reflected or to maintain the underlying basis for the setting of the fee.

Lump sum contributions are where ratepayers are asked to pay a capital (or lump sum) payment toward meeting the cost of providing an asset, rather than pay for those costs via an annual targeted rate. Council does not accept lump sum contributions.

Interest and dividends from investments are used to either reduce rates or repay debt. Council has resolved to apply income from its holding company to the Wastewater activity to reduce rates, and to repay loans in general rate funded activities. Income from other investments is applied to general rate funded activities to repay debt.

Borrowing is not a source of revenue but is rather a bridging mechanism to assist with the financing of long-term assets. Borrowings are repaid by other sources of revenue such as rates or proceeds from asset sales.

Borrowing spreads the cost of an asset over time. This enables the Council to match charges placed on the community against the period of benefits from the capital expenditure, so that current

ratepayers pay for the share of the asset they use now, and future ratepayers pay their share too. This principle is that of intergenerational equity.

Council generally only uses borrowing to fund capital expenditure and does not borrow to fund its day to day operations. Borrowing may in rare circumstances be used to fund operational expenditure when it is financially prudent to do so, for example when there is a significant single year spike in operational costs, or where there are clearly benefits delivered beyond the immediate financial year in which the expenditure is incurred (e.g. three-yearly long-term plan development costs or the repainting of a Council building).

Borrowing is managed within the framework specified in the Liability Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, the Council seeks to match the term of borrowings with the average life of assets or period of benefits when practical.

Proceeds from asset sales are funds received from selling Council assets, such as plant and equipment or investments. Asset sale proceeds will in the first instance go to repay debt that may be associated with the activity. Wherever the sale proceeds are greater than the known debt or the replacement cost of the 'like' asset then the proceeds will be made available for debt reduction by Council resolution.

Draft Revenue and Financing Policy

Development contributions allow local authorities to recover capital expenditure related to growth from developers who will benefit. Councils may require development contributions from developments where the effect, including the cumulative effect, of development is to require new or additional assets or assets of increased capacity, and as a consequence the Council incurs capital expenditure. This includes capital expenditure a Council has already incurred in anticipation of growth.

Council is anticipating some growth in household numbers over the period of this LTP. Areas are being developed for subdivision in Springvale and Otamatea to accommodate this growth. Council considers that it is appropriate for developers to meet the costs resulting from development and that these costs should not fall to the existing ratepayer body. Council has adopted a Development Contributions Policy to recover costs from developers who create the need and benefit from the assets created.

Financial contributions are a mechanism provided for within the Resource Management Act 1991 (RMA). Essentially, paid by developers, financial contributions provide for managing the effects of development on the wider community by requiring money or land to be provided for the purpose of avoiding, remedying or mitigating adverse effects as a result of land use.

As a result of the Resource Management Act Amendment 2017, financial contributions will no longer be an available funding sources from 18 April 2022. Council will revise its District Plan accordingly

and transition to alternative funding tools such as developer agreements and development contributions to attribute costs of infrastructure development appropriately to those who benefit directly. Council will not seek financial contributions from 1 July 2018.

Grants and subsidies are funds received from external funding parties, usually for a specific purpose. Some of these items are predictable and can be budgeted (e.g. WINZ employment subsidies), whereas others may be unexpected or unpredictable (e.g. Civil Defence reimbursements following emergencies).

Council receives subsidies from the New Zealand Transport Agency (NZTA) which cover a substantial proportion of the capital and maintenance costs of our roading network. This is expected to continue into the future, although subsidy levels have trended downward over time.

Other grants and subsidies from external funding agencies are available from time to time, particularly for capital projects such as the Sarjeant Gallery redevelopment project.

Other sources include special funds which have either been received by the Council from a third party to be used in a specific way (restricted funds e.g. bequests) or monies tagged by the Council to be applied for a specific purpose or area of benefit (non-restricted funds e.g. the Parking special fund).

Draft Revenue and Financing Policy

Our funding approach

Council delivers a broad range of activities to district residents, ratepayers and visitors. We aim to fund these activities in a fair and equitable manner. To achieve this, we balance rates and other funding mechanisms.

Rates are a form of taxation and as such the amount paid does not necessarily reflect the level of benefit received. Rates are not a charge for the use of a service.

Transparency and accountability can be enhanced where the community can make a direct link between the services received and charges imposed. User charges and targeted rates are used when there is a degree of private benefit, or when services are available to some properties but not others (e.g. water supply).

We could create numerous targeted rates to separately fund each of Council's activities, but this would compromise our desire to that rates be simple and easily understood by the community. For this reason, most activities are funded from general rates. We provide further information on the amount of funding for each activity with the rate assessment to promote transparency.

There are some legislative constraints in using certain funding sources.

The Local Government (Rating) Act 2002 (LGRA) sets out the legal requirements for rating. It covers who is liable to pay rates, what

land is rateable, what kind of rates may be set and how those rates are set, the valuation system which may be used and the various rating mechanisms available (such as targeted rates). The LGRA specifies that Council may only collect 30% of its total rates revenue from rates set on a uniform basis (excluding uniform rates for water or wastewater). This means that Council must use other mechanisms such as valuation-based rates.

There are also legislative restrictions on the level of fees and charges able to be charged in some activities. There is generally a requirement for Council to set its fees to be "actual and reasonable" and some legislation goes further to include "actual and reasonable costs" or to set the actual fees via statute e.g. in the Sale and Supply of Alcohol Act 2012.

- Rates are a tax. They do not directly reflect benefit, use, or income.
- Separate rates may make for greater transparency of costs but increase complexity and may restrict future expenditure decisions and lead to large fluctuations in movements.
- Differential rating is a valid means of achieving an overall allocation of benefit.
- Uniform charges are not the only funding option when benefits from a Council service are not related to property value.

Draft Revenue and Financing Policy

Funding of operating expenditure

Operating expenditure is the day-to-day spending that maintains the services provided by Council.

Council has determined the following basic principles to guide the appropriate use of funding sources:

- User charges are preferred when a private benefit can be identified, it is efficient to collect the revenue and charging does not detract from achieving the desired community outcomes.
- Interest and dividends from investments may offset rates requirements.
- Subsidies, grants and other income options are fully explored prior to rates being used.
- Borrowing will only be used when it is financially prudent to do so, for example when there is a significant single year spike in operational costs, or where there are clearly benefits delivered beyond the immediate financial year in which the expenditure is incurred.
- General or targeted rates will fund any shortfall.

Funding of capital expenditure

Capital expenditure is the category of spending which creates a new asset or extends the lifetime of an existing asset.

Council generally borrows to fund one-off capital expenditure projects to smooth rates input and account for intergenerational

equity. Capital expenditure items of a consistent annual nature are rate funded.

The Council's overall borrowing requirement is reduced to the extent that other funds are available to finance capital expenditure. Such other funds include:

- Grants and subsidies towards capital expenditure from external parties such as New Zealand Transport Agency. Council will maximise grants, subsidies and other external revenue sources wherever available.
- Development contributions
- Council special funds
- Proceeds from the sale of assets
- Operating surpluses
- Rates

The following funding sources are used for each category of capital expenditure under normal circumstances, with any alternative funding sources specifically resolved by the Council.

To replace existing assets projects

Projects to replace existing assets restore or replace components of an asset or the entire asset to meet the current level of service (to its original size, condition or capacity).

These projects will be funded from rates and if applicable subsidy from NZTA for Roading. Other grants are available from time to time. Special funds are available to fund capital costs in some activities e.g.

Draft Revenue and Financing Policy

parking meter replacements. Borrowing may be used to smooth rates input and reflect the expected life of the asset.

To improve the level of service projects

The creation of a new asset or alterations to an existing asset that means a higher level of service is delivered.

These projects will be funded by borrowing and if applicable subsidy from NZTA for Rooding. Grants are available from time to time for some projects, for example the Sarjeant Gallery redevelopment.

To meet additional demand projects

Capital expenditure to meet additional demand is required to provide additional capacity to accommodate growth.

These projects will be funded by borrowing in the first instance. The borrowing will be repaid by development contributions and rates.

Summary of funding mechanisms

Council utilises the following funding mechanisms for operating and capital expenditure:

Funding mechanism	Operating	Capital
General rates (including the UAGC)	✓	✓
Targeted rates	✓	✓
Lump sum contributions		
Fees and charges	✓	✓
Interest and dividends from investments	✓	✓
Borrowing	✓*	✓
Proceeds from asset sales		✓
Development contributions		✓
Financial contributions (under the RMA 1991)		
Grants and subsidies	✓	✓
Any other source	✓	✓

* In limited circumstances as outlined under the Borrowing section of the policy.

Draft Revenue and Financing Policy

Funding mechanisms for each Council activity

Council has undertaken a review to determine the appropriate sources of funding for each of its activities.

The Revenue and Financing Policy summarises the sources of funding the Council has decided upon for each activity.

Council's consideration of the LGA section 101(3) factors in selection of the appropriate funding mechanisms for each activity is available in the Revenue and Financing Policy Funding Needs Analyses which are available at www.whanganui.govt.nz/long-term-plan

The UAGC ensures that all properties pay a minimum contribution to Council's services. Council sets the UAGC each year during its Annual or Long-term Plan deliberations, giving consideration to the overall impact for revenue needs on the community and the 30% cap on rates set on a uniform basis (excluding water and wastewater) under the Local Government (Rating) Act 2002.

Proceeds from asset sales that are surplus to replacement asset or debt repayment requirements of the activity may be considered for allocation to debt in other activities. The overall funding impact will be considered by Council in making any decision.

Overall impact adjustments

Council is required by section 101(3)(b) of the LGA to consider the overall impact of its allocation for liability for revenue needs on the community. Council may, as a final measure, modify the overall funding mix because of these considerations.

Council considers the general rate differentials resulting from the activity based funding allocations each year to ensure that the overall funding mix is appropriate and effects on ratepayer groups are managed. This may involve adjustments to differentials which may be transitioned over a number of years.

Legend: ✓✓✓✓ = Full (100%) ✓✓✓ = Majority (> 67%) ✓✓ = Partial (33% - 67%) ✓ = Minority (< 33%)							
Activity	Funding of operating expenditure				Funding of capital expenditure	Catchment	Commentary
	General rates	Targeted rates	Fees and charges	Other (grants, subsidies, interest, dividends)			
Water supply		✓✓✓	✓		Borrowing Targeted rates Fees and charges Development contributions	Area of service	Targeted rates to properties in serviced areas. Water by meter charges set as targeted rates to properties using more than residential volume. Fees and charges to recover cost of new connections and minor rental income. Development contributions to fund debt incurred for the expansion of services to cater for growth.
Stormwater		✓✓✓✓			Borrowing Targeted rates Fees and charges Development contributions	Area of service	Targeted rates to properties in serviced area. Fees and charges to recover cost of new connections. Development contributions to fund debt incurred for the expansion of services to cater for growth.
Waterways and natural drainage	✓✓✓✓				Borrowing General rates Development contributions	District	Fully funded by the general rate. Development contributions may be used if debt incurred for the expansion of services to cater for growth.
Wastewater		✓✓✓	✓	✓	Borrowing Targeted rates Fees and charges Development contributions	Area of service	Targeted rates to properties in serviced areas. Trade waste targeted rates and fees and charges apply to reflect the costs involved in conveying, treating and disposing of trade wastes. Fees and charges to recover cost of new connections. Dividend income offsets rates requirement for the Wastewater network. Development contributions to fund debt incurred for the expansion of services to cater for growth.
Roading		✓✓	✓	✓✓	Borrowing Targeted rates Grants and subsidies Development contributions	District	Partially funded by targeted rates and partially funded by New Zealand Transport Agency (NZTA) subsidies and petrol taxes. Minor user fees income from rental and consultancy. Development contributions to fund debt incurred for the expansion of services to cater for growth.
Footpaths & berms		✓✓✓	✓		Targeted rates Borrowing Development contributions	District	Majority funded by targeted rates. Minor amount of rental income relating to road reserves. Development contributions may be used if debt incurred for the expansion of services to cater for growth.

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Activity	Funding of operating expenditure				Funding of capital expenditure	Catchment	Commentary
	General rates	Targeted rates	Fees and charges	Other (grants, subsidies, interest, dividends)			
Parks and reserves	✓✓✓		✓	✓	Borrowing General rates Grants, bequests and donations Special funds Development contributions	District	Majority general rate funded. Fees and charges for exclusive access. Other income e.g. grants and subsidies is available from time to time. Some special funds are available. Development contributions to fund debt incurred for the expansion of services to cater for growth.
Cooks Gardens	✓✓✓		✓		Borrowing General rates Fees and charges	District	Majority general rate funded. Rental income, sponsorship income and revenue from the venue. Other income e.g. grants and subsidies is available from time to time.
Swimming pools	✓✓✓✓				General rates Borrowing	District	Fully funded by the general rate. User fees retained by operator to offset cost of service.
Community	✓✓✓		✓	✓	General rates Borrowing Special funds	District	Majority general rate funded. Sales income from NZ Glassworks. Other income e.g. grants and subsidies is available from time to time. Some special funds are available.
Libraries	✓✓✓		✓		General rates Borrowing Proceeds from asset sales	District	Majority general rate funded, with minor fees and charges. Other income e.g. grants and subsidies is available from time to time. Asset sale proceeds may be used to fund capital expenditure.
Sarjeant Gallery	✓✓✓		✓	✓	Borrowing General rates Grants, bequests, donations, sponsorship	District	Majority general rate funded. Some donations and income from the Gallery shop. Grants for education service. Other income e.g. grants and subsidies is available from time to time. External funding sources (e.g. central government, grants, donations, sponsorship) will provide a significant contribution toward the capital cost of the Sarjeant Gallery redevelopment.
Royal Wanganui Opera House	✓✓✓		✓	✓	Borrowing General rates Fees and charges Grants, bequests and donations	District	Majority general rate funded. Fees and charges for exclusive access. Other income e.g. grants and subsidies is available from time to time.

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Activity	Funding of operating expenditure				Funding of capital expenditure	Catchment	Commentary
	General rates	Targeted rates	Fees and charges	Other (grants, subsidies, interest, dividends)			
War Memorial Centre	✓✓✓		✓		Borrowing General rates Fees and charges Grants, bequests and donations	District	Majority general rate funded. Fees and charges for exclusive access. Other income e.g. grants and subsidies is available from time to time.
Whanganui Regional Museum	✓✓✓		✓		Borrowing General rates	District	Majority general rate funded. Small amount of rental income.
Earthquake strengthening		✓✓✓✓			Borrowing Targeted rates	District	Fully funded by targeted rates.
Whanganui & Partners – Economic Development	✓✓✓✓				Borrowing General rates	District	Fully funded by the general rate.
i-site	✓✓✓		✓		Borrowing General rates	District	Majority general rate funded. Some fees and charges for booking commissions and shop sales.
Cemeteries	✓		✓✓✓		Borrowing Fees and charges General rates	User pays District	Majority funded by fees and charges. Minor contribution from the general rate.
CBD maintenance	✓✓	✓✓	✓		Borrowing General rates Targeted rates	District CBD properties	Partly funded by the general rate and partly funded by targeted rates levied to properties in the CBD. Minor rental income.
Waste minimisation	✓✓✓			✓	Borrowing General rates	District	Majority general rate funded. Income from waste disposal levies is used to fund waste reduction initiatives.
Pensioner housing			✓✓✓✓		Borrowing Fees and charges	User pays	Fully funded by rental income.
Community buildings	✓✓✓		✓		Borrowing General rates	District	Majority general rate funded. Fees and charges for exclusive access. Other income e.g. grants and subsidies is available from time to time.
Emergency management	✓✓✓✓				Borrowing General rates	District	Fully funded by the general rate. Other income e.g. grants and subsidies is available from time to time following an emergency event.
Building control	✓		✓✓✓		Borrowing General rates	User pays District	Majority funded by fees and charges with a minor contribution from the general rate.

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Activity	Funding of operating expenditure				Funding of capital expenditure	Catchment	Commentary
	General rates	Targeted rates	Fees and charges	Other (grants, subsidies, interest, dividends)			
Environmental health	✓✓✓		✓		Borrowing General rates	District User pays	Majority general rate funded. Some fees and charges income.
Parking services	✓		✓✓✓		Special fund Borrowing General rates Fees and charges	User pays District	Primarily funded by parking fees and charges. Shortfall (if any) funded from general rate. Surplus (if any) to special fund for parking meter replacement or to general rates.
Animal management	✓		✓✓✓	✓	Borrowing General rates Fees and charges	User pays District	Primarily funded by fees and charges and with minority funding from the general rate. Income from other sources from time to time.
Resource management	✓✓		✓✓		Borrowing General rates	User pays District	Funded partially by fees and charges and partially by the general rate.
Environmental policy	✓✓✓✓				Borrowing General rates	District	Fully funded by the general rate.
Airport	✓✓		✓✓		Borrowing General rates Fees and charges	District User pays	Council funds 50% of this activity, with the remainder funded by the Crown as joint venture partner. Council's share is partially funded by the general rate and partially funded by user fees and charges (aircraft landing fees, car parking, rental income and income from the airport café).
Port & river	✓✓		✓	✓✓	Borrowing General rates Harbour Endowment External funds	District	Port primarily funded by the surplus generated by the Harbour Endowment. Any Port shortfall and the River control aspects of the activity are funded via the general rate. User fees and charges for use of the Port. External funds e.g. from central government may be available from time to time for capital projects.
Durie Hill elevator	✓✓			✓✓	Borrowing General rates	District	User fees retained by operator to offset cost of service. Net operating costs 50% funded by Horizons Regional Council. Remaining 50% and asset related costs funded by general rates.
Harbour Endowment			✓✓✓✓		Borrowing Special fund Proceeds from asset sales Fees and charges	User pays	Rental income funds expenses. No rates input - surplus transferred to the Port to fund its operation.

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Activity	Funding of operating expenditure				Funding of capital expenditure	Catchment	Commentary
	General rates	Targeted rates	Fees and charges	Other (grants, subsidies, interest, dividends)			
City Endowment			✓✓✓✓		Borrowing Special fund Proceeds from asset sales Fees and charges	User pays	Rental income funds expenses. Surplus offsets general rates.
Investments	✓		✓	✓✓	Borrowing General rates	District	Funded by investment revenue and interest income, with minor funding from user fees and charges and the general rate.
Governance	✓✓✓			✓	Borrowing General rates Donations	District	Majority general rate funded. Income from other sources from time to time.
Corporate management			✓	✓✓✓	Borrowing	Activities	Majority funded by overhead allocation to other Council activities. Minor amount of fees and charges and interest income.
Community & operational property	✓✓✓		✓		Borrowing General rates Fees and charges Proceeds from asset sales	District	Majority general rate funded. Rental income offsets some costs.