

Revenue & Financing Policy

Policy status:	Draft
Review due:	30 June 2024
Legal reference:	Local Government Act 2002 Section 102(2)(a) and 103, and Schedule 10, Part 1 (10)

Objective

This policy provides the funding mechanisms to ensure the equitable distribution of costs to those who benefit, as well as providing for the financial sustainability of the activities undertaken.

Financial management

The Council will ensure that each year's projected revenues are set at a level sufficient to meet that year's projected operating expenses. In other words, it will aim to produce a balanced budget.

The Council will manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The Council will make adequate and effective provision to meet the expenditure needs of the district, which have been identified in its Long-Term Plan, and in its Annual Plan where applicable.

Funding principles

When making funding policy the Council must work through the process and matters set out in section 101(3) of the Local Government Act and have regard to the section 101(1) obligation to act prudently and in the interests of the community.

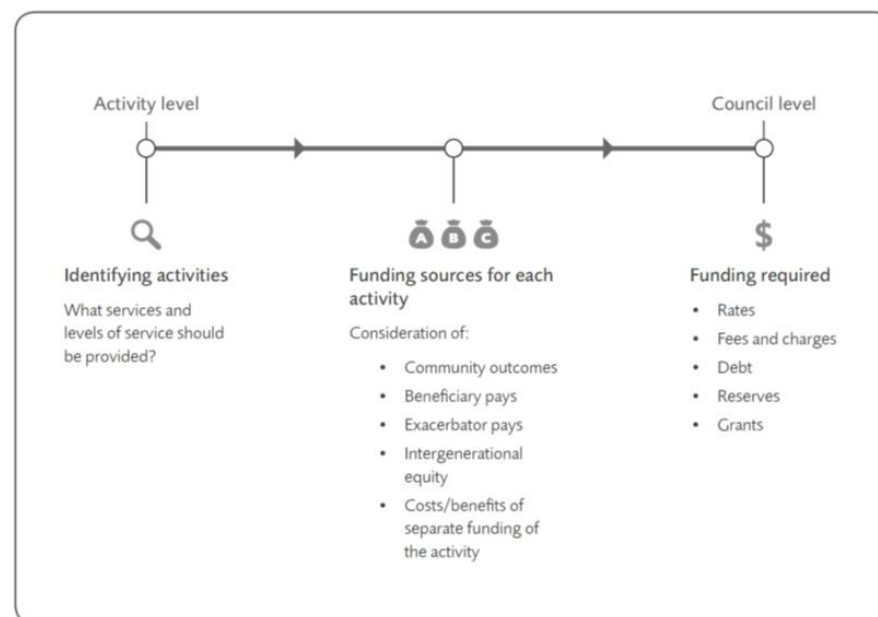
Section 101(3) analysis is basically a two-step process, as discussed below.

First step considerations

The first step requires consideration at activity level of each of the following:

- 1) Community outcomes to which the activity primarily contributes
- 2) The distribution of benefits between the community, and any identifiable parts of the community and individuals
- 3) Period over which benefits occur
- 4) The extent to which actions or inactions contribute to a need to undertake the activity
- 5) The costs and benefits of funding the activity distinctly from other activities.

No single criterion has greater weight in law than the others.



1) The community outcomes to which the activity contributes

Our community outcomes are:

Community – we communicate, engage and inform our community.

Development – we promote and support the development of our economy

Services – our services and infrastructure are cost effective, efficient and fit for purpose.

Environment – we value and protect our environment

Future – we work with our community and our partners to create a better place for future generations

The Council manages ten groups of activities to support the achievement of our community outcomes.

2) The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals (the beneficiary pays principle).

The community as a whole means all residents and ratepayers. For some of the Council’s activities it is difficult to identify individual users, or people cannot be excluded from entry, or everyone benefits in some way from an activity (also known as “public good”). If the activity benefits the community as a whole, it is appropriate to fund that activity by the community as a whole, such as by general rate. If groups or individuals benefit, then costs can be recovered either by a targeted rate or user fees.

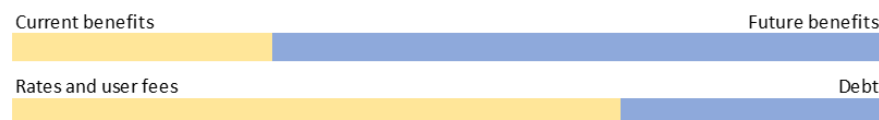
3) The period over which those benefits are likely to occur - ‘intergenerational equity’ principle.

Many of the activities provided by local government are either network or community infrastructure (for example, roads and stormwater channels), which last for a long time. Benefits from infrastructure can be expected to last for the life of the asset. This matter requires consideration of how the benefits and costs for the assets are distributed over time, so that current day ratepayers are not meeting the entire burden by paying for them now. This is illustrated in the diagram below.

The main tool for ensuring intergenerational equity is the use of debt, and then rating future ratepayers to service the debt. A decision not to borrow for new capital is effectively a decision that current ratepayers should meet

the cost of services that future ratepayers will consume, and should be made as a conscious policy choice.

Too little debt - current ratepayers subsidise future ratepayers



Too much debt - future ratepayers subsidise current ratepayers



Intergenerational equity achieved



4. The extent to which the actions (or inaction) of any individual or group may contribute to the need to undertake the activity

This is the exacerbator pays principle which is that those groups whose actions or inactions give rise to a need to undertake a certain activity should contribute to the costs of that activity.

5. The costs and benefits of funding the activity distinctly from other activities

Should the activity be funded from a general source (e.g. general rates or uniform charge) or from a targeted source such as user fees and charges, or a targeted rate. The choice between general and targeted rating requires consideration of the consequences for transparency and accountability. This might include:

- The smaller the activity the less likely that funding it separately will be economic or practical
- Legal requirements may require an activity to be ring fenced

- An activity that may be of benefit to a subset of the community may be a stronger candidate for distinct funding
- Transparent rates may aid in the community seeing what they get for their money

Second step considerations

Having considered the most appropriate sources of funding in relation to each activity, the second step requires the Council to consider the overall impact of any allocation of liability for revenue needs on the community, and to consider if any changes are needed. This involves weighing up the impact of rates on the community. Such considerations might include:

- affordability - the ability to pay by low income households
- barriers to access services
- legal constraints
- materiality
- sustainability; and
- fair treatment of the business sector - balancing the ability to pay and the benefits received.

The Council may, as a final measure, modify the overall mix of funding in response to these considerations.

Preferences for sources of funding

The Council, as a matter of principle, prefers the activities and services it provides to generate their own revenues, and for rates – particularly general rates – to be among the least preferred. Loans may be used to fund operating expenses in certain circumstances, such as to smooth the rates impact during unforeseen events (examples are using short-term loans to reduce or smooth the rates requirement during a pandemic, or following a major disaster such as an earthquake).

The following sets out the Council’s preferences in order from top. This is the default order of preference for any new activity, or any existing activity not specified in this Policy.

Preferred funding sources for operating expenses:

1 st Commercial revenue	Dividends, interest earned, logging sales & forestry revenue
2 nd User fees & charges	Consent fees, lease revenue, registration fees, etc
3 rd Grants & subsidies	Grants and subsidies received from external organisations
4 th Special funds & reserves	Funds held for a specific purpose
5 th Targeted rates	Rates for a specific purpose levied on a target community
6 th General rates	Rates for general purposes levied district wide
7 th Loans	Borrowed funds
Preferred funding sources for capital expenses (including repayment of loan principal):	
1 st Commercial revenue	Dividends, interest earned, logging sales & forestry revenue
2 nd Grants & subsidies	Grants and subsidies received from external organisations
3 rd Special funds & reserves	Funds held for a specific purpose
4 th Development contributions	Received from developers towards the cost of development
5 th Loans	Borrowed funds
6 th Targeted rates	Rates for a specific purpose levied on a target community
7 th General rates	Rates for general purposes levied district wide
8 th User fees & charges	Consent fees, lease revenue, registration fees

Overview of the Council's funding mechanisms

As required by s103(2) of the LGA the Council uses a range of funding tools, mechanisms, and sources for operating and capital expenditure. The definitions of funding mechanisms are:

General Rates

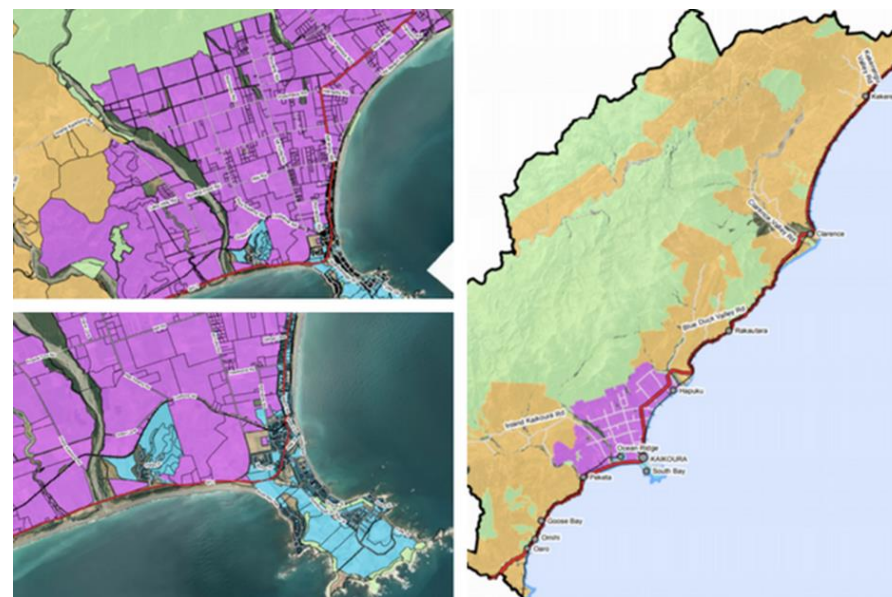
General Rates in this context refers to both the general rate (a rate applying to properties based on their capital value) and the uniform annual general charge (a set dollar amount). General rates are used where benefits flow to the community as a whole, or where individuals or community groups cannot be identified.

The general rate is set on capital value, with a differential of 0.9:1 for rural and semi-rural properties. The objective of the differential rate is to acknowledge that properties outside the Kaikōura township are predominantly farmland with high capital values (in comparison with their urban counterparts) but that their capital value does not necessarily reflect the services they receive or have access to.

Rating areas

The Council considers it appropriate to define rating areas (urban, semi-rural and rural) for the purposes of applying rates, so that it can assess whether there is a different level of benefit accruing to properties based on their proximity to Council services, and apply a rating differential accordingly. These rating areas have no relationship to the size, land use, or value of individual properties within, or outside of, this area.

The rating areas for the Kaikōura District are shown on the following maps.



The above map shows each of the rating areas. The bulk of the District is rural, portrayed in pale orange (pale green areas are Department of Conservation land which is non-rateable). The purple area is the semi-rural area for rating purposes. The semi-rural area extends to the Hapuku River in the north, and to the Kahutara River to the south (thereby including the villages of Hapuku and Peketa). This area also extends inland to the foothills of Mt Fyffe, adjacent to Department of Conservation land.

The pale blue area is the current urban area for rating purposes and includes Ocean Ridge. As the town grows, this area may be extended to incorporate new areas as appropriate to meet the intent of these rates – i.e. in areas where footpaths, streetlights and/or stormwater is developed. The rating boundaries shown in the above maps are approximate, and for indicative purposes only.

Uniform Annual General Charge

The uniform annual general charge (UAGC) is set per separately used or inhabited part of a rating unit (SUIP), for all rateable land within the District. The full definition of the SUIP can be found in the Rating Funding Impact Statement in this Long-Term Plan 2021-2031 and in each subsequent annual plan as these are prepared.

A separately used or inhabited part of a rating unit can be described as:

- Any portion of a rating unit used or inhabited by any person, other than the ratepayer or member of the ratepayer’s household, having a right to use or inhabit that portion by virtue of a tenancy, lease, license or other agreement, or
- Any part or parts of a rating unit that is/are used or occupied by the ratepayer for more than one single use.

UAGC lever

Council legitimately utilises the UAGC as a lever to reduce spikes on properties by redistributing a proportion of rates to all ratepayers. This UAGC lever is available for future valuation spikes or changes resulting from large policy reviews.

When Council decides to increase or decrease the UAGC to reduce significant spikes in rates incidence it will review the activities currently in the UAGC and the differentiated general rate on capital value and decide on the most appropriate activity to transfer. This transfer may also occur if, as a result of it’s total funding requirements, it would breach the UAGC cap of 30%. This process will occur as part of the LTP and Annual Plan rates setting and modelling each year.

Targeted rates

Targeted rates are used when the Council considers that transparency is important or where the location or method of rating makes the use of a targeted rate more appropriate, more equitable or more transparent. Examples are rates for water and wastewater, whereby only those properties which are connected – or could be connected – are levied these targeted rates. Another example is the roading rate or the district plan rate, where all properties are levied (the same as the general rate), but the revenue collected is ring-fenced in a special reserve and can only be used for their specific purpose.

Commercial revenues

These are a highly preferred source of revenue because it is not a burden on ratepayers. It includes dividends, capital distributions, interest earned, sale of goods or services, lease revenue and logging sales. This type of revenue is evident where an activity is commercially viable, fully self-funding and/or generating its own revenue streams.

User fees & charges

Fees and charges are used for services where there is a direct benefit to an individual. If it is possible to efficiently charge a fee, the Council does so on the basis of either recovering the full cost of the service, the marginal cost added by users, or a rate that the market will pay. The market rate becomes an issue to limit the potential for charging, and applies to circumstances where the Council believes that a charge set too high will reduce use and therefore diminish the value of the facility to the community, such as library book rental fees.

For the purposes of this Revenue & Financing Policy, user fees and charges include infringement fees and fines. These include penalties for late payment of rates, traffic and litter infringements, and fines for dog prosecution and noise control.

Grants & subsidies

Most grants and subsidies are sourced primarily from central government are typically related to specific activities. The main source of these subsidies are from the New Zealand Transport Authority (Waka Kotahi) to subsidise the maintenance, renewal and upgrading of local roads and bridges.

The Council has also been the recipient of significant funds from central government for our earthquake rebuild projects, COVID-19 stimulus packages, and from the Provincial Growth Fund for the Wakatu Quay project.

Other grants include government grants for family violence and youth coordination, funding for responsible camping initiatives, creative arts and sporting grants.

Special funds & reserves

The Council has several activities funded by targeted rates, which means the rates collected are ringfenced and can only be spent on the activity the rate is collected for. As an example, the roading rate can only be used to fund the roading activity – any unspent surpluses cannot be used to fund another activity such as water. Also, as an example, the Council may receive a grant to employ a family violence coordinator. That grant is set aside in a special fund, and the costs of the family violence coordinator are tracked against the grant. Special funds and reserves may accumulate, and as long as they are used for their

specific purpose, it is appropriate to utilise these funds rather than draw on additional funds, especially if that is to come from rates.

Loans

Loans are very appropriate when they are used to fund capital projects, particularly where the asset being upgraded or renewed has a useful life of twenty years or more. The Council also considers that loans may be used to fund operating expenses in certain circumstances, and only where specifically stated by the Council in the Annual Plan for that year. Examples of those specific circumstances would be:

- to fund the operating component of capital projects, such as demolition costs
- to smooth the rates impact where significant costs are incurred in a pattern of peaks and troughs, such as completing a backlog of maintenance in one or two years
- to ease the financial burden on ratepayers following a significant economic event (such as a natural disaster or pandemic)
- to smooth the rates impact where a project is ongoing, but the actual timing of costs is difficult to predict

Development contributions

Under the Local Government Act the Council has the powers to require a contribution from developers to ensure that a fair proportion of the cost of infrastructure needed to serve growth is funded by those who cause the need for that infrastructure (i.e. the developments leading to growth). More information

about these contributions is contained in the Council's Development Contributions Policy.

Note that development contributions, although intended to fund capital expenditure, can also be applied to loan principal and interest expense, where the loan has been raised to undertake capital works for which a development contribution has been calculated.

Proceeds from asset sales

Proceeds from asset sales will be used for the repayment of debt or the acquisition of new assets. From time to time, and only by Council resolution, proceeds from sale of assets may be used to offset the rates requirement.

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Roading				
Roads & bridges	<ul style="list-style-type: none"> • Development • Services • Future 	Road users – includes residents of the district, visitors to the district, and freight and passenger vehicles moving through the district.	Now and into the future over the life of the assets	Development places extra demands on the existing infrastructure, as does heavier traffic resulting from land use such as forestry and dairying.
Footpaths & cycleways	<ul style="list-style-type: none"> • Services 	Footpaths are predominantly in the township, so urban properties have the greatest benefit, but all residents come to town with benefit accruing according to proximity to the township.	Now and into the future over the life of the assets	Development places demands to extend infrastructure, as does increased visitors and expectations for improved access using sustainable transport.
Streetlights	<ul style="list-style-type: none"> • Environment 	Community as a whole, properties in the urban area have the greatest benefit, then semi-rural, then rural properties	Now and into the future over the life of the assets	Development places demands to extend infrastructure.
Water supplies				
<p>Water supplies</p> <p>This activity is involved with the efficient provision of drinking water as well as water for stock or irrigation, and water for firefighting.</p>	<ul style="list-style-type: none"> • Development • Services • Future • Environment 	<p>The communities that are supplied with water are the beneficiaries.</p> <p>The entire community benefits through reducing health risks and having protection in the case of fire. In particular, providing this protection to maintain access to public services such as hospitals, schools, police, ambulance etc.</p>	Now and into the future over the life of the assets	<p>Existing property owners/residents including businesses and industrial premises within the supply areas</p> <p>Developers – for subdivisions and new developments within the supplied areas.</p> <p>Exacerbators – excessive users of potable water for non-essential needs</p> <p>Firefighting services require hydrants and adequate pressure and supply</p>

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Roading			
<p>User fees are not practical. Fuel taxes and road user charges are collected by the government and these are allocated to Council by a subsidy through the NZTA</p>	<p>NZTA subsidies are available for the majority of roading work.</p> <p>The current level of subsidy is 51% for operational and capital works, subject to the NZTA approved programme.</p> <p>Overheads, loan servicing costs and some roading works are not eligible for subsidy.</p>	<p>NZTA subsidy (51%)</p> <p>Targeted rate based on capital value without differential</p> <p>Petrol tax levies</p> <p>User fees</p>	<p>NZTA subsidy</p> <p>Targeted rate based on capital value</p> <p>Loans and development contributions</p>
<p>User fees are not practical. Partial subsidies are available for operating and capital work. Loans and development contributions are appropriate for capital work.</p>	<p>Footpath maintenance is eligible for an NZTA subsidy at 51%, but no other costs are eligible for funding.</p>	<p>NZTA subsidy (51%)</p> <p>Targeted rate based on capital value with a differential for urban, semi-rural and rural areas.</p>	
	<p>Streetlight maintenance and electricity costs are eligible for subsidy at 51%</p>	<p>NZTA subsidy (51%)</p> <p>Targeted rate based on capital value with a differential for urban, semi-rural and rural areas.</p>	
Water supplies			
<p>Meters provide information about actual water consumed, and for users to be invoiced accordingly, but meters are expensive to install and maintain.</p> <p>A Kaikōura Water Cohort has been established, consisting of Kaikōura Urban, Suburban, Ocean Ridge, Peketa and Oaro water supplies. This means the cost of operating these supplies is shared across the consumers of the Cohort group.</p>	<p>Users benefit directly from the supply of safe potable water (or stock water as appropriate) and hence are rated directly for the cost of providing the water supply.</p> <p>The Kaikōura Water Cohort effectively provides funding support for small supplies (particularly Oaro and Peketa) so that they can progress with upgrades to treatment and storage, etc, that would otherwise be completely unaffordable if those supplies were required to fund those projects on their own. From time to time the Council may consider other supplies entering the Cohort or for the Cohort to partially subsidise other water supplies within the District.</p>	<p>Targeted rates for all SUIPs connected, and/or within 100 metres of any part of the supply(s).</p> <p>Water meter charges for extraordinary consumption (volumetric charges)</p> <p>Targeted rates per unit of water (by installed restrictors): East Coast, Kincaid Fernleigh and Suburban supplies</p> <p>User fees</p>	<p>Grants and subsidies are used where possible</p> <p>Water reserves will be used where funds have accumulated (restricted to the reserves for each supply as appropriate).</p> <p>Service level upgrades and capacity increases funded by loan and development contributions</p>

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Wastewater				
<p>Wastewater</p> <p>This activity comprises the collection and transportation of wastewater from its sources (commercial premises and residences) to its point of treatment. Treatment and disposal of sewage for commercial and domestic users.</p>	<ul style="list-style-type: none"> • Development • Services • Future • Environment 	<p>Consumers connected to (or able to be connected to) the Kaikōura sewerage system, both on a per property and a per pan basis benefit from the removal of sewerage from their property.</p> <p>Public health of the community, convenience of individual property owners and the users of coastal waters.</p>	<p>Now and into the future over the life of the assets</p>	<p>The wider community.</p> <p>Those properties/ residents connected.</p> <p>Industries and commercial businesses, restaurants and fast-food outlets.</p> <p>The existing property owners/residents including commercial business and industries within the service areas.</p> <p>Developers – new subdivisions and developments within the serviced area generally create a need for increased wastewater disposal.</p> <p>Iwi & Environmental interest groups.</p> <p>Discharges to freshwater catchments are important considerations.</p>
Stormwater				
<p>Stormwater</p> <p>This activity protects people, dwellings, private property and public areas from flooding by removing stormwater.</p> <p>Discharge stormwater and collect contaminants in a manner that protects the environment and public health</p>	<ul style="list-style-type: none"> • Development • Services • Future • Environment 	<p>There is a mix of community public good and identifiable parts of the community benefiting. The wider community benefits from having public roads, open spaces, public services such as hospitals, schools, police, fire department etc. accessible and available through being protected from flooding.</p> <p>The wider community also benefits by protecting the environment from contaminants entering the waterways, including rivers and beaches.</p>	<p>Now and into the future over the life of the assets</p>	<p>Development places demands to extend or increase the capacity of existing infrastructure.</p> <p>Exacerbators – excessive users of water for non-essential needs, such as excessive boat-washing, lawn watering, etc, cause overflow to stormwater.</p>

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Wastewater			
<p>User fees are not practical (although minor fees are charged for service approvals)</p> <p>An option is to align wastewater discharge to actual water consumption (e.g. by water meter) but meters are costly to install and maintain.</p> <p>Loans and development contributions are appropriate for capex.</p> <p>Grants are applied for wherever possible.</p>	<p>Users benefit directly from the hygienic collection, treatment and disposal of wastewater, and hence are rated directly for the cost of providing the wastewater system.</p> <p>The wider community benefits from wastewater being safely contained, however this is not considered sufficiently material to warrant a general rates component in the funding.</p> <p>Visitor accommodation providers such as motels provide bathrooms per motel unit, so there is a higher concentration of wastewater than would be on a per property basis.</p> <p>Other commercial properties, such as bars, restaurants, offices and service stations, have a relatively low number of toilets/pans, but very high usage – much higher than an average household.</p>	<p>Targeted rate:</p> <p>All rateable property within the area serviced by the wastewater system, and/or within 100 metres of any part of the system.</p> <p>Commercial and self-contained & serviced: per SUIP with a differential for each additional water closet or urinal.</p> <p><i>Households will not be treated as having more than one water closet or urinal.</i></p>	<p>Grants and subsidies are used where possible</p> <p>Wastewater reserves will be used where funds have accumulated</p> <p>Service level upgrades and capacity increases funded by loan and development contributions.</p>
Stormwater			
<p>User fees are not practical.</p> <p>Loans and development contributions are appropriate for capex.</p> <p>Special reserves are held to fund capital renewal projects.</p> <p>Grants are applied for wherever possible.</p>	<p>All properties within the urban area benefit from stormwater protecting private property and public or commercial areas from flooding.</p>	<p>Targeted rate based on capital value, applied to all rateable properties within the urban area (including Kaikōura township, South Bay and Ocean Ridge).</p>	<p>Grants and subsidies are used where possible.</p> <p>Stormwater reserves will be used where funds have accumulated.</p> <p>Service level upgrades and capacity increases funded by loan and development contributions.</p>

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Refuse & recycling				
Landfill (and future transfer station)	<ul style="list-style-type: none"> • Community • Services • Environment 	The entire community (commercial, residential and all rural and semi-rural) benefits from having a landfill for the safe and efficient disposal of solid waste	Now and into the future over the life of the landfill	Producers and consumers create the need. Waste disposer creates the need to dispose of solid waste safely and to reduce waste.
Kerbside refuse and/or recycling collection, sorting and disposal	<ul style="list-style-type: none"> • Services • Environment 	Individual households who receive the pickup service benefit. The whole community benefits with the protection of public health. There is a mix of community public good and identifiable parts of the community benefiting through reducing health risks.	Now and into the future	Waste disposer creates the need to dispose of safely and to reduce waste. Properties within the serviced (collection) area benefit from their waste and recycling being picked up from their kerbside. Properties outside that serviced area have access to the community pickup sites to leave their recycling for collection. This is a lower level of service that is reflected in the rates they pay.
Public rubbish bins & recycling stations, including street litter pickups	<ul style="list-style-type: none"> • Services • Environment 	Residents and visitors can deposit their sundry litter (ice-cream wrappers, soda cans and other minor items) into bins that are conveniently located and regularly emptied/cleaned. The whole community benefits from the availability of these bins, it provides for litter to be collected and disposed of rather than dropped in public spaces.	Immediate and short-term	Producers and consumers create the need. Visitors are among the main users of public rubbish bins.

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Refuse & recycling			
<p>Landfill charges are collected by Innovative Waste, the landfill operator.</p>	<p>As the landfill is of benefit across the community the management fee paid to the Innovative Waste to manage the landfill operation is rated for within the Uniform Annual General Charge</p>	<p>Funded from General Rates (UAGC) on a uniform charge basis per SUIP. User fees & charges will be sought wherever this is practical to do so.</p>	<p>Grants and subsidies are used where possible. Capital upgrades and ultimate cell capping will be funded by loan.</p>
<p>All properties within the area where the kerbside refuse service is provided, will be charged. The use of bag (or wheelie bin) to dispose of the refuse or the recyclable material will be charged per use</p>	<p>Residents benefit directly from the removal of refuse and recycling, and hence are charged a fee for the cost of providing the kerbside service. Not all households dispose of the same amount of waste. A per household charge would result in environmentally conscious households subsidising households that don't attempt to reduce their waste. To incentivise reducing and recycling, there should be a high user pays component to rubbish collection. Users benefit directly from the removal of refuse and hence are charged a fee for the collection of their solid waste as and when the service is used.</p>	<p>User fee per disposal. It is proposed that user pays will fund at least 2/3rds of the cost of the collection, sorting and disposal of solid waste. Residual (net cost) funded by targeted rate applied to every rateable property within the service collection area, and a targeted rate on all property outside the serviced area, both on a uniform basis per SUIP</p>	<p>Grants & subsidies will be used where possible. Loans may be considered for building or site improvements. Plant & equipment capital is raised by the operator (IWK).</p>
<p>User fees (such as coin-operated bins) are cost-prohibitive and disincentivise people from using them, which may in turn result in litter being irresponsibly dropped.</p>	<p>There is no viable option for user pays, but visitors pay indirectly if some of the cost is funded by the commercial rate. In addition, many commercial properties create the waste that is being disposed of in these public bins (such as ice-cream wrappers, cans, etc).</p>	<p>Approximately half the cost of this service is funded by the public rubbish bin charge, which is a uniform dollar amount applying to all properties that meet the definition of commercial. The balance is funded by general rate (UAGC).</p>	<p>New bins and other plant/equipment may be funded by grants & subsidies, reserves, MfE levies, loans, or rates.</p>

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Facilities				
Community Halls (Memorial Hall, Scout Hall etc)	<ul style="list-style-type: none"> • Services • Development • Future • Environment 	Widespread community benefit from the use of the hall for various community and private functions and events	Now and into the future over the life of the assets	Community residents
Housing for the elderly, and other residential housing	<ul style="list-style-type: none"> • Services • Development • Future • Environment 	Tenants who meet policy requirements.	Now and into the future over the life of the assets	Low-income elderly, and other social housing needs
Swimming Pool	<ul style="list-style-type: none"> • Services • Development • Future • Environment 	<p>The pool will offer active aquatic recreation to all residents and visitors. Its offers fun, education and social interaction. The elderly and people with mobility issues will benefit from low impact exercise. This will lead to health benefits for all residents.</p> <p>The whole community will benefit from the pool for recreational use, learn to swim and sporting events.</p>	Now and into the future over the life of the assets	All pool users, residents and visitors seeking sport and recreation.
Parks & reserves, walkways, and playgrounds	<ul style="list-style-type: none"> • Services • Development • Future • Environment 	<p>Whole community will benefit from the use of parks and reserves</p> <p>Some mobile shops have established their businesses on open spaces such as coastal reserves.</p>	Indefinitely	All residents and visitors

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Facilities			
Hall hires but this would be unaffordable for users if expectations were to cover all costs.	Hall hire fees are what is deemed affordable for the community and are often waived for charitable events. The operating costs of public halls far exceeds the revenue from hall hires, and so the residual costs are funded from general rate on a uniform basis.	User fees General rates (UAGC)	Loans Grants & subsidies General rates (UAGC)
Housing for the elderly is and other residential housing is intended to be fully self-funding.	Rent is an efficient way to recover costs because the users are easily identifiable. There are legal restrictions around rent increases.	User fees Residual costs funded by General rate based on capital value, with differential for rural and semi-rural	Loans User fees
Swimming pools do not generate sufficient revenue to cover costs, particularly if the community expects the pool to be covered and enclosed, as this incurs significant costs in air-conditioning and dehumidification expenses, plus ongoing maintenance of the structures. The whole community will need to help meet the operating cost for the pool.	The pool is operated and managed by a Trust and the Council has agreed to fund operating costs and capital costs, capped at \$250k per annum.	General Rates through the UAGC on a uniform basis	Not applicable funded by Trust. The Council has contributed \$1m in capital funding as a grant for the initial construction phase.
User fees are only an option where reserves are leased. These are public amenities with unrestricted use, and therefore the only practical way to fund their maintenance, mowing etc, is by way of rates.	The provision of active and passive parks and open spaces create network, community, and recreational opportunities, as well as cultural, landscape and ecological protection and enhancements.	User fees (leases or licences to occupy) are appropriate for clubs, mobile shops, etc. Residual costs funded by General Rates through the UAGC on a uniform basis	Grants will be sought wherever possible. Loans if major upgrades Development contributions

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Facilities				
Cemetery Maintenance of the land, burial service and record-keeping and enquiries	<ul style="list-style-type: none"> • Services • Future • Development 	Wide community use	Now and in the foreseeable future	Deceased residents
Sports fields (Takahanga Domain and South Bay Domain)	<ul style="list-style-type: none"> • Services • Future • Development 	Sports clubs receive a direct benefit, and the wider community enjoys access to fitness activities, sporting events and the social interactions that sports (and sports clubs) offer.	Now and in the foreseeable future	Sports clubs may demand certain facilities to be provided, and to certain standards to enable their sporting code to be of good quality for members
Public Toilets	<ul style="list-style-type: none"> • Services • Future • Development 	The whole community benefits from having hygienic facilities for people to use (the alternative is abhorrent).	Now and in the foreseeable future	Community, commercial businesses and visitors
West End	<ul style="list-style-type: none"> • Services • Future • Development 	Kaikōura's town centre and the town's original retail hub, the West End includes the carpark and village green. All residents and visitors use the area, and many commercial businesses are based here.	Now and in the foreseeable future	Community, commercial businesses and visitors

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Facilities			
Burial fees cover the cost of interment, but the whole community covers the cost of mowing, maintenance, and the enquiry service for death records. The Council receives a small annual grant from the Retired Services Association to cover the cost of mowing the RSA plot area.	The provision of a cemetery benefits the whole community now and into the future, enabling a quiet space to reflect and pay their respects to those who have passed.	Burial fees and plot reservation fees RSA grants Residual costs funded through general rates (UAGC on a uniform basis)	Loans Reserves for minor renewals
Sports clubs are the main users of sports fields, however there is largely unrestricted access to	Sports clubs are usually not for profit organisations or casual groups, and so are unlikely to afford market leases	Lease Fees Residual costs funded by General Rates through the UAGC on a uniform basis	Loans Reserves for minor renewals
Provision of public toilets for visitors, residents and businesses.	While public toilets are generally perceived to be primarily for visitors (and not ratepayers), these facilities are available for all residents to use when they are out and about.	70% General rate based on capital value, with differential for rural and semi-rural 30% Commercial rate based on capital value	Loans Special funds if available
Revenues are available from users (lease revenue, licences to occupy for outdoor dining and retail display, and carpark fees are collected by way of Pay & Display machines)	User fees are the most preferred funding tool. Targeted rates applied to urban, rural and semi-rural properties has been selected, because the proximity to the township is assumed to roughly align with how residents use the town centre. This rate will fund the residual (net cost).	User fees Town centre rate, based on capital value with a differential applied to urban, rural and semi-rural properties	Loans Town Centre rate Reserves for minor renewals

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Facilities				
Airport	<ul style="list-style-type: none"> • Services • Future • Development 	<p>Operators and users of the airport benefit directly.</p> <p>The whole community benefits from there being good quality economic activity generating from the airport itself.</p>	Maintenance annually, capital work over the life of the asset	The commercial users (including the Aero Club) benefit the most from the provision of airport facilities, along with passing aviators
Harbour activities	<ul style="list-style-type: none"> • Services • Future • Development 	<p>Commercial fishermen and fishing charter operators and ecotourism marine operators benefit directly from using the facility.</p> <p>Itinerant and community-based recreational boat users and fishermen enjoy direct benefits</p> <p>The Coastguard is also based at the South Bay harbour facility, although they maintain their own slipway, etc.</p>	Now and into the foreseeable future	<p>Commercial operators have the most need for this activity, the greatest demand on the level of service, and the greatest impact on wear and tear of the facilities.</p> <p>Use of the facilities by recreational boat owners is trending upwards, and the South Bay harbour is reaching capacity in the summer holiday peak period.</p>
Civic Centre	<ul style="list-style-type: none"> • Services • Future 	This building houses the museum, library, Environment Canterbury and District Council. It is the cultural, educational, and governance hub of the District and is widely used by the whole community and visitors.	Now and into the future	It is appropriate that the tenants of the building pay a lease to cover the cost of building ownership, maintenance and cleaning, etc.

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Facilities			
<p>The activity should be self-funding, if there are shortfalls from leases and landing fees then the general rate would be the last option.</p>	<p>Users benefit directly from the use of the airport. Itinerant users and operators pay for the use of the runway through landing fees. The operators are predominantly commercial (including the Aero Club). It makes sense, therefore, that their commercial operations are not subsidised by ratepayers.</p>	<p>User fees should ideally fund the entire cost of airport operations. Any residual cost will need to be funded by general rate based on capital value.</p>	<p>Minor renewal from the airport reserve</p> <p>Loans for major upgrades</p>
<p>While there is a reasonable amount received in user fees (slipway fees, boat parking fees, leases, and seawall licences), this still falls well short of the cost of providing, maintaining, and upgrading the harbour facilities.</p> <p>The Council is signalling a move to achieve more user pays funding over time.</p>	<p>Commercial operators benefit directly from the use of the harbour, and the harbour facilities are essential for them to conduct their business. To be transparent, separate funding streams are thought appropriate.</p> <p>Commercial businesses generally, benefit from the fact that our marine-based tourism activity is at the heart of our local economy and attracts visitors to the district.</p> <p>The whole community benefits from having access for recreational boating, fishing, etc.</p> <p>Recreational users have a direct benefit from using the harbour, and this is assumed to roughly align with proximity to the harbour.</p>	<p>User fees</p> <p>Commercial revenue</p> <p>Commercial Rate to commercial property based on capital value</p> <p>Harbour rate based on capital value with a differential applied to urban, semi-rural and rural properties</p>	<p>Major capital expenditure is funded by loan</p> <p>Grants and subsidies are used where applicable</p> <p>User fees should be set at a level that also covers renewal expenses although this may take some time to reach this level of cost share.</p>
<p>Because most of the tenants are community organisations the lease that they pay is less than the annual costs for the building.</p>	<p>The Civic Centre is of high community value and community interest; therefore it is appropriate (for transparency) that the net costs (after lease revenues) is funded by a targeted rate.</p>	<p>Commercial revenue</p> <p>Targeted rate applied to the whole district on a uniform basis per SUIP</p>	<p>Loans</p> <p>User fees</p> <p>Targeted rate applied to the whole district on a uniform basis per SUIP</p>

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Facilities				
Other buildings and property	<ul style="list-style-type: none"> • Services 	Lessees/tenants benefit from direct use, but often the affordability of the lessees which are non-profit community organisations cannot fund the full operational costs. Community organisations serve widespread community groups.	Annually	Wide community use and lessee use
Commercial activities				
Forestry	<ul style="list-style-type: none"> • Environment • Services 	Widespread community benefit. Logging revenues are used to offset rates, generate funds for other developments, or to reinvest in investment activities.	Annually	None
Wakatu Quay (PGF project)	<ul style="list-style-type: none"> • Future • Development 	Whole community and tourists will benefit once constructed. Any commercial operations will benefit directly once construction finalised. Ratepayers will benefit from any return on leased property.	Now and for the foreseeable life of the asset	To be determined once constructed

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Facilities			
Most of the Council's buildings and properties are community facilities e.g. Community Opshop, and the Esplanade building. These buildings are maintained and owned for civic or community purposes, and do not yield market value leases.	Lessee pay a fee but if the use is for a community or civic purpose the full operational cost may be recovered from general rates.	Lease fees General rate based on capital value, with differential for rural and semi-rural	Loans for major upgrades Grants & subsidies
Commercial activities			
Forestry revenues in harvesting times generate surpluses. When the forest is replanted there is a cost to be borne for this investment. The overall cash flow over the life of the investment is cash positive. This distribution has been used to offset other operational costs for the ratepayer.	Distribution in times of profit but operational costs funded from the general rate at replanting times.	Commercial revenue (capital distributions and logging sales) Special funds & reserves General rate based on capital value, with differential for rural and semi-rural	
Currently construction is funded through provincial growth fund grant. Extremal investments may be leveraged as the project progresses.	Widespread community benefit	Commercial revenue User fees General rate based on capital value, with differential for rural and semi-rural	Grants & subsidies Loans

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Leadership & governance				
Mayor & Council	<ul style="list-style-type: none"> • Community • Environment • Future • Development 	Widespread community benefit.	Annually	Of widespread community benefit
Chief executive's office	<ul style="list-style-type: none"> • Community • Environment • Future • Development 	Widespread community benefit	Annually	Of widespread community benefit
Communications	<ul style="list-style-type: none"> • Community 	Widespread community benefit	Annual	Stakeholders and focus community groups that we engage with, etc
Support services (customer services, corporate & financial services, works & services, GIS/mapping, IT services, vehicles & plant)	<ul style="list-style-type: none"> • Community • Future • Development 	Widespread community benefit	Annually	None
Building & regulatory				
Statutory planning	<ul style="list-style-type: none"> • Services • Environment • Future • Development 	<p>Consent applicants benefit directly. Public good benefit for assuring subdivisions and land use is granted in accordance with RMA legislation and District Plan rules.</p> <p>The whole community benefits from the district being developed in a planned and orderly manner in harmony with the environment and community aspirations and values.</p>	Over the life of their development to the individual, annually to the community	Resource consents application costs are fully funded by the applicant

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Leadership & governance			
User fees and charges are not appropriate. Election expenses are subsidised by the district health board and Environment Canterbury.	The leadership, strategic direction and decision making accrues to all residents of the Kaikōura district on an equal basis.	Funded through the general rate (UAGC) on a uniform basis per SUIP	None
User fees and charges are not appropriate.	The leadership, strategic direction and decision making accrues to all residents of the Kaikōura district	Funded through the General Rate based on capital value with a differential for rural & semi-rural	None
User fees are not appropriate	We communicate and engage with the whole community	Funded through the General Rate based on capital value with a differential for rural & semi-rural	None
Overhead allocations are used to distribute the net costs of Support Services over the activities supported	The support operations are of benefit across the district and to all activities.	Overheads allocated across all relevant activities	Grants & subsidies Loans Overheads
Building & regulatory			
User fees & charges are appropriate for consent applications Residual costs for public good recovered from the general rate.	The resource consents, LIMS and PIMS are for the direct benefit for specific applicants	User Fees General rate based on capital value, with differential for rural and semi-rural	None

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Building & regulatory				
Building control	<ul style="list-style-type: none"> • Services • Environment • Future • Development 	Applicants for building work benefit directly. Public good benefit for assuring building works carried out in accordance with legislation and building regulations.	Over the life of their building to the individual, annually to the community	Building consents costs are fully funded by the applicant
Traffic control	<ul style="list-style-type: none"> • Services 	The whole community benefits from parking behaviours being enforced, and commercial premises benefit through parking being available for their customers to use. Carpark users benefit directly by having spaces to park so they can access shops, etc.	Annually to the community, immediately to individuals	The commercial sector (retail shops, food premises, etc) benefit the most from provision of car parks and traffic control.
Dog control	<ul style="list-style-type: none"> • Services 	The community benefits through reduced danger, reduced distress, reduced nuisance to the community generally, and education.	Now and into the future	Dog owners create the need for these activities (both registered and unregistered) as work volume is directly proportional to the number of dog owners and/or number of dogs
Stock control	<ul style="list-style-type: none"> • Services • Environment 	The community benefits through effective management and control of wandering stock.	Now and into the future	Farmers and livestock owners create the need for this activity, as work volume is directly proportional to the number of livestock owners and/or number of livestock.

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Building & regulatory			
User fees & charges are appropriate for consent applications Residual costs for public good recovered from the general rate	The building consents are for the direct benefit for specific applicants	User Fees General rate based on capital value, with differential for rural and semi-rural	None
Infringement fees, car parking fees are appropriate for this activity. Residual costs for public good recovered from the general rate with a split between residential and commercial users based on the extent of benefit received.	User fees (including infringement fees) are the most preferred source of revenue, with commercial premises funding around half of the net cost, and general rates funding any residual cost.	Users Fees Commercial rate based on capital value General rate based on capital value with a differential for rural and semi-rural areas	Plant & equipment such as pay & display machines may be funded by loan, commercial rate, overheads and/or special funds
Dog registration fees fund a portion of the dog control activity, and cost recoveries or fines cover costs where corrective actions are required.	There is an expectation that dog control officers are available 24/7 to respond to dog attacks, barking nuisance, and wandering dogs. This comes at a cost and the dog registration fees are not adequate to meet the full cost of this service. There is a strong public-good component to dog control, in that non-dog owners benefit in that the nuisance of dogs wandering, barking, etc is responded to and enforced.	User fees General rate based on capital value, with differential for rural and semi-rural	Plant & equipment such as dog pound may be funded by loan, commercial rate, overheads and/or special funds
Infringement fees and user fees are available where the livestock owner can be identified (in the incidence of wandering stock).	This activity primarily occurs outside of the urban area, as this is where livestock is predominantly kept.	User fees Targeted rate based on capital value, applied to properties in the rural and semi-rural areas	None

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Building & regulatory				
Liquor licensing, food premises and environmental health	<ul style="list-style-type: none"> • Services • Future 	<p>Registered premises benefit mainly from this activity.</p> <p>Public good associated with reducing the social harm from alcohol consumption and ensuring that food premises have safe and hygienic food-handling processes.</p>	Now and into the future	Registered premises create the need for this activity
Responsible (freedom) camping	<ul style="list-style-type: none"> • Community • Environment • Future • Development 	Ambassadorial and education services of benefit to the community in promoting the area and to visitors. Enforcement of non-complying campers protects the environment and is of benefit to the community.	Now and into the future	Freedom campers create the need for this activity, as they choose to stay in areas that are largely unsupervised, un-serviced and uncontrolled.
Other regulatory TA activities (BWOFF's, swimming pool inspections, etc)	<ul style="list-style-type: none"> • Services • 	This activity includes a myriad of regulatory functions which are of benefit to the applicants (residential and commercial) can be assured that buildings and facilities meet statutory requirements	Now and into the future	Residential and commercial ratepayers and users of facilities

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Building & regulatory			
<p>Many user fees are set by legislation, and for these there is no opportunity to increase fees or source alternate funds.</p>	<p>User fees are the preferred source of funds, with a targeted rate applying to registered premises to meet most of the funding shortfall.</p> <p>A general rate component is appropriate for a portion of the cost, in recognition that the wider community benefits from the safe and responsible sale of food and alcohol.</p>	<p>User fees</p> <p>Targeted rate applied on a uniform basis to registered premises per licence</p> <p>Residual costs funded by general rate (UAGC)</p>	<p>None</p>
<p>Currently the services are funded by grants from central government (the Tourism Infrastructure Fund), with the residual component from general rates</p>	<p>Infringement fees are appropriate for those not complying with bylaw</p> <p>Grants will be applied for wherever these are available</p> <p>Local authorities are required by law to provide areas for responsible camping without charge, so user fees are not an option</p>	<p>Infringement fees</p> <p>Grants & subsidies</p> <p>General rate based on capital value, with differential for rural and semi-rural</p>	<p>None</p>
<p>Community benefits that buildings and facilities are of appropriate standard is funded from general rates.</p> <p>Direct beneficiaries fund costs that they create.</p> <p>Infringement fees for owners who do not comply</p>	<p>Appropriate to fund general good benefits (safety) from general rate</p> <p>Commercial rate for individual or applicants that benefit directly.</p> <p>Infringements fees for property owners of non-compliant buildings and facilities.</p>	<p>Fees and charges, with the net cost funded by General rate based on capital value, with differential for rural and semi-rural, and Commercial rate also based on capital value</p>	<p>None</p>

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Community & customer services				
Emergency management	<ul style="list-style-type: none"> • Future 	The ability to prepare for, respond to, and recover from an emergency event is entirely a benefit to the whole community.	Now and into the future	The whole community, people and property, create the need for this activity
Community development	<ul style="list-style-type: none"> • Community 	Widespread community benefit.	Now and into the future	None
Library services	<ul style="list-style-type: none"> • Community 	Library users benefit directly from this service. Widespread community benefit for literacy, education, and community services.	Now and into the future	Library users create the need for this activity.
Social services (Family Violence, Youth Support, etc)	<ul style="list-style-type: none"> • Community • Future 	The community groups (e.g. youth) and individuals supported receive a direct benefit, and there is a widespread community benefit through social wellbeing	Now and into the future	The extent to which support is required from these community groups and individuals has a direct impact on the level of service provided
Community grants and events	<ul style="list-style-type: none"> • Community • Future 	Grant recipients benefit directly. Widespread community benefit, including to commercial businesses who benefit from visitors attracted to these events	Immediate and annually	Not-for-profit groups, clubs and individuals create the need for grants distribution. There is a socio-economic need for community events

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Community & customer services			
Subsidies are available from time to time, for limited resources such as radios or specific training.	Emergency management is focussed on the protection of people (rather than property) as its top priority, and therefore it is appropriate that every household and business contribute to the cost on an equal basis.	Grants & subsidies General rates on a uniform basis (UAGC)	
The cost of providing library resources and activities far exceed the revenue generated from book rentals.	Libraries are a community service; therefore it is appropriate that the net cost of the library is funded by rates. To mitigate the rates burden, user fees and grants will be accessed where these are available and appropriate	User fees Grants & subsidies General rates on a uniform basis (UAGC)	
Grants and subsidies from external sources are sought wherever possible.	Benefit across the District means it is appropriate for funding within general rates.	Grants & subsidies where applicable General rate based on capital value with differential for rural and semi-rural	None
Grants & donations subsidies are sought wherever possible.	Widespread community benefit makes it appropriate for general rate funding if grants and subsidies are not available. Currently fully funded through grants and subsidies.	Grants & subsidies General rate based on capital value, with differential for rural and semi-rural	None
Grants & subsidies are sought wherever possible and redistributed through this activity.	Where feasible the activity is funded by a specific grant or subsidy. Community as a whole benefits from clubs and voluntary organisations being adequately funded and so it is appropriate it is funded from the general rate. The i-site annual grant is funded from the commercial rate because the i-site benefits the commercial sector	Grants & subsidies where applicable General rate based on capital value, with differential for rural and semi-rural Commercial rate based on capital value	None

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
District development				
District planning	<ul style="list-style-type: none"> • Community • Environment • Future • Development 	The whole community benefits from the district being developed in a planned and orderly manner in harmony with the environment and community aspirations and values	Now and into the future	Developers benefit from, and also cause the need for, district planning.
Environmental planning	<ul style="list-style-type: none"> • Environment • Future • Development 	Widespread community benefit, including to residents and visitors	Now and into the future	Individual landowners may benefit or create the need for this activity, where they have areas of biodiversity interest on their land
Tourism & marketing	<ul style="list-style-type: none"> • Future • Development 	Commercial businesses and accommodation providers benefit from this activity	Annually	Local businesses benefit from their product being marketed locally and internationally, and from the increased visitor numbers
Economic development	<ul style="list-style-type: none"> • Future • Development 	Commercial businesses benefit from this activity, and the whole community benefits from growth and diversity in business creating employment and local economic base	Now and into the future	Local businesses benefit from increased visitor numbers, and individuals benefit from having employment and higher incomes
Bylaws & other planning	<ul style="list-style-type: none"> • Development • Environment • Future 	Whole community benefits from Council bylaws and policies, also important to attract new residents and/or business	Life of policy or bylaw (three to ten years)	Community as a whole

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
District development			
Cost recoveries are appropriate where plan changes are initiated by developers.	District planning is more aligned to the use of property, and so it is appropriate that the cost be recovered by rates without differential across every property in the district.	Targeted rate applied to every rateable property in the district	
External funding is sought wherever possible, however grants and subsidies are usually tagged for a specific project rather than for planning resources	General rates funding is considered most appropriate as the benefit aligns with property	Grants & subsidies General rate based on capital value with a differential for rural and semi-rural areas	None
Grants & subsidies are sought wherever possible	Commercial premises and accommodation providers are the predominant beneficiaries of tourism and marketing activity	Targeted rate applied to commercial property based on capital value, and/or a targeted rate applied to smaller accommodation properties based on a uniform charge	None
Grants and subsidies are sought where possible	Mainly to be funded by targeted rate for commercial business, but individuals benefit from employment and economic development, therefore general rate is appropriate for wider economic benefits (generally a 60:40 split).	Commercial rate based on capital value General rate based on capital value with a differential for rural and semi-rural areas	None
No option for user pays as this is a Council-driven activity	Council bylaws and policies are developed to make rules that protect the whole community and properties	General rate based on capital value, with differential for rural and semi-rural	None

Significant activity	Community Outcome this activity contributes to	Who benefits from this activity	Period over which benefits occur	Extent of identifiable groups or individuals contributing to costs
Other activities				
Earthquake Event	<ul style="list-style-type: none"> • Future • Development • Environment 	Widespread community benefit for recovery and response.	Now and into the foreseeable future	The benefit (and cost) of rebuild and recovery accrues to all residents of the Kaikōura district.

Costs & benefits of funding from other sources	Rationale	Operational funding sources	Capital funding sources
Other activities			
<p>Central government funding is available for welfare costs, plus a significant portion of rebuild. Material damage insurance and Local Authority Protection Programme (LAPP) covers up to 40% of the cost of damaged water and sewer networks. NZTA subsidies are also available for damage to roads and bridges.</p> <p>The Kaikōura District has net costs from the 2016 earthquake and continues to repay the loans associated with that event.</p>	<p>External funds are available and will be sought in any future events. The loan servicing costs require ongoing funding, and the Council considers it is necessary to build a resilience fund due to the possibility of future events.</p>	<p>Grants & subsidies</p> <p>Targeted rate applied as appropriate for each of roading, specific water supply, sewerage scheme and/or stormwater where these costs are identifiable.</p> <p>Targeted rate applied to all rateable property based on capital value (earthquake rate) to fund loan servicing costs and other net losses of events.</p> <p>Targeted rate applied to all rateable property on a uniform basis (earthquake levy) to offset the earthquake rate and to build up a resilience fund over time.</p>	<p>Grants & subsidies</p> <p>Insurance settlements/advances</p> <p>Targeted rates</p> <p>General rates</p>