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Revenue & Financing Policy 2021

1. Introduction and purpose

This policy details Council's approach to funding its operating and capital expenditure. It determines who pays for Council activities, and on what basis, with a view to achieving the fairest funding mix for the community as a whole. The overall objective is to ensure users and beneficiaries of Council services pay what is fair and equitable.

Rates provide the net funding requirement of the Council's work programme after allowing for income from other sources such as fees, user charges and subsidies. Rates are levied under the statutory provisions of the Local Government (Rating) Act 2002.

2. Glossary of Terms

These definitions are intended to explain terms used in this policy in plain English. For legal definitions see the Local Government Act 2002, the Local Government (Rating) Act 2002 and the Local Government Act 1974.

Benefit – refers to the positive effect able to be gained as a result of a Council-provided activity or service, regardless of whether this is taken up or not.

Business (non-residential) – means those rating units where there are any of the following:

- business operations are carried out on the property,
- purpose-built buildings or modified premises for the purpose of carrying out business,
- resource consents relating to business activity,
- advertising business services on the property, or through media identifying the property as a place of business, and/or
- The property has a traffic flow greater than would be expected from a residential dwelling.

Capital expenditure – means expenditure on new assets or on assets that increase the level of service provided, or extend the level of service - for example replacement of assets (cyclic renewals).

Capital Value (CV) – means the assessed value of a property comprising of land plus improvements (if any) at the time of valuation.

Community-wide benefit – means a benefit that applies to the whole community, irrespective of property location or value.

Council – means Ashburton District Council.

Exacerbator - those who contribute to the need for a Council facility or service should contribute to the cost of the facility or service.

Existence benefit – means a benefit that arises through the mere existence of certain facilities, even if the person who values them may never contemplate using them personally.

General rate – is a rate levied on all rateable properties within the local authority jurisdiction, based on:

- capital value of a property
- how the property is used
- whether the property's location is urban or rural.

Intergenerational equity – is the principle that the cost of an asset or service should be spread over its life, so that both current and future residents who benefit contribute a fair share of the costs, and not just current residents.

Operating expenditure – means the costs incurred to provide normal day-to-day services and the maintenance of services and assets.

People benefit – is a benefit that people and residents can enjoy without owning property. Council looks to fund people benefit through uniform annual charges.

Private good – means goods or services that directly benefit an individual rather than the community as a whole. Private goods are an indicator that users should pay.

Property benefit – is a benefit that accrues to a property or to property owners. This may be a service to a property or an activity that benefits property values. Council looks to fund property benefit through CV rates.

Public good – means goods or services that one individual can consume without reducing the availability to another individual. Public goods are usually both non-rival and non-excludable. An example of a public good is a community park.

Rates – are funds collected by Council through taxes on property within the district.

Rating boundaries - boundary maps for rating areas have been included as an appendix to the Revenue and Financing Policy. Council can resolve to make minor amendments to the map boundaries for matters of low significance (as per Council's Significance and Engagement Policy).

Residential – refers to all properties that are not zoned business (non-residential) as per the Ashburton District Plan.

Targeted rate – a rate charged for a specific service through a tax on each rateable unit or separately used or inhabited portion of a rating unit deemed to benefit from the service. An example is the rate imposed on properties within

the Ashburton central business district for additional footpath cleaning in that area.

Targeted rate, based on a Uniform Annual Charge (UAC) – a targeted rate that is charged as an equal amount on each rateable unit or separately used or inhabited portion of a rating unit in the defined area that receives benefit (this charge does not vary with the value of the unit).

Targeted rate, based on CV – is a rate charged for a specific service to the rateable units deemed to benefit from that service, and based on the capital value of the property.

Uniform Annual General Charge (UAGC) – a Council charge of an equal amount on each rateable unit or separately used or inhabited portion of a rating unit in the district (this charge does not vary with value of the unit).

User charges – a Council charge of fees paid by those who use specific services provided by Council. An example is the fee payable for processing a resource consent application.

3. Policy Context

3.1 Local Government Act 2002

The Local Government Act 2002 (LGA) requires all councils to adopt a 'Revenue and Financing Policy'. Sections 102 and 103 require the policy to demonstrate how operational expenditure and capital expenditure are funded or financed from:

- a) general rates (including choice of valuation system, differential rating, uniform annual charges)
- b) targeted rates
- c) fees and charges

- d) interest and dividends from investments
- e) borrowing
- f) proceeds from asset sales
- g) development contributions
- h) financial contributions
- i) grants and subsidies
- j) other sources of income.

Section 101(3)(a) requires that Council has, for each activity funded, shown it has given consideration to the:

- a) community outcomes to which the activity contributes,
- b) distribution of benefits between the community as a whole, any identifiable part of the community, and individual, for the period in or over which those benefits are expected to occur,
- c) extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity, and
- d) costs and benefits, including the transparency and accountability, of funding the activity distinctly from other activities.

Section 101(3)(b) also requires that Council considers the overall impact of any allocation of liability for revenue needs on the community.

3.2 Related Council plans, policies and strategies

Council's Revenue and Financing Policy provides a high level funding framework that links with other Council documents that impact on funding decisions for the wider community and in some cases for individual ratepayers. These documents include:

Development and Financial Contributions Policy

Details the basis on which Council charges development contributions to ensure developers pay a fair share of the costs of providing infrastructure required to cater for growth.

District Plan

Details Council's approach to charging Financial Contributions for new developments under the Resource Management Act 1991.

Significance and Engagement Policy

Details Council's approach to determining the level of significance of a particular proposal or decision, and how it will engage with the community based on the level of significance.

Rates Remission Policy

Details the circumstances in which Council will provide for the remission of rates and rates penalties and why.

Infrastructure Strategy

Details Council's approach to provision of core infrastructure, how much it intends investing over the next 30 years and how this investment will be funded. Activities included in the strategy are; roads, footpaths, drinking water, wastewater, stormwater and stockwater.

Financial Strategy

Details Council's approach to delivering its high-level funding requirements including limits on rates and borrowing.

4. Rating Framework

There are a variety of approaches which may be used to apply rates. Council applies the following:

4.1 Valuation system

When applying rates based on property value councils can rate according to land value, capital value or annual value. Council uses the capital value rating system.

Council believes that capital value rating best reflects a property owner's stake in the district and is fairer for property owners whose property value is comprised mostly of the value of the land.

4.2 Unit of rating - separately used or inhabited parts of a rating unit

Under the Local Government (Rating) Act 2002 charging separately used or inhabited parts of a rating unit is an option for a uniform annual general charge and for targeted rates.

A separately used or inhabited part of a property or building includes any part of a rating unit inhabited or used by a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license, or other agreement.

For the purpose of this policy, vacant land and vacant premises offered or intended for use or habitation by a person, other than the owner, and generally used as such are defined as 'used'.

Examples of separately used or inhabited parts of a rating unit include:

- a flat attached to a single dwelling,
- two or more houses, flats or apartments on one certificate of title (rating unit),
- a residential unit attached to business premises,
- separate parts of a single business unit leased to multiple tenants,
- each residential dwelling or unit on a farm property, and

- where part of a rating unit that has the right of exclusive occupation has more than one ratepayer/owner.

5. Funding Sources Available

Council has a range of funding sources available which are often suited to a particular type of funding requirement. While rates are often the most appropriate source of funding for a particular requirement, Council's preference is to use other sources of funding, if appropriate.

5.1 Non-rate revenue sources

Grants, sponsorship and subsidies

Council expects to continue to receive substantial subsidies from NZTA for road maintenance and renewal and other expenditure related to transportation.

Council can receive grants and sponsorship for projects which are eligible for particular grant or sponsorship schemes.

Investment income, dividends and interest

Interest and investment returns from Council's forestry and property investments are used to offset the general rate, the uniform annual general charge and the targeted capital value rate for roading.

The allocation of investment income funding to each of the rates is proportionate to the ratio of each rate in terms of the requirement. For example, if the general requirement is \$6 million and the uniform annual general charge requirement is \$3 million then the investment income is allocated 66.6% to the general rate and 33.3% to the uniform annual general rate.

Interest earned on special funds and separate reserves is used only for the purpose of the fund or reserve. This allocation may be amended to ensure the

UAGC remains within the statutory requirements in Section 21 of the Local Government (Rating) Act, 2002.

Development contributions

Charged on new developments where Council has or plans to incur capital expenditure specifically to cater for demand associated with growth. Revenue from development contributions is used to pay debt outstanding on current loans.

Financial contributions

Charged on new developments to provide for recreation and open space land and facilities.

Proceeds from asset sales

Council may sell assets that are deemed to be surplus to requirements or that are not providing satisfactory returns. Proceeds may be invested, used to fund capital expenditure or operating expenditure associated with the activity which held the original asset.

Council may, in exceptional circumstances, choose to use proceeds for operational expenditure in another activities.

Fees and charges

Council charges for some services it provides and this revenue funds all or part of the costs of service delivery for these activities. Examples include consent fees, dog registration fees and some administrative services. Some activities show a range of fees and charges. Council will aim to maximise fees and charges where possible to ensure a fair system, however demand and market affordability also need to be considered.

Bequests

Council occasionally receives bequests that can be used, normally for a specified purpose.

Borrowing

Council generally borrows to fund capital expenditure as a way of promoting intergenerational equity and as a way to make the significant cost of some capital projects affordable. Borrowing may be internal (Council borrowing from itself) or external. Council does not borrow for operating expenditure unless this is deemed to be prudent and is approved by Council on that basis.

Lump sum contribution

Council may offer the option for ratepayers to pay their share of a capital project through a lump sum payment rather than through rates over a longer period of time. This can be beneficial for all parties as it reduces the interest paid by ratepayers over the life of the loan and Council can retire a portion of debt earlier or reduce the need for borrowing.

5.2 Rate revenue sources

The rates charged by Council as sources of funding are:

General rate - charged on all rateable properties in the district on the basis of capital value, the location of the property and what the property is used for.

UAGC - charged on all separately inhabited or used portions of a rating unit on a uniform (equal) basis.

Targeted rate – a rate charged on specific properties in the district on the basis of the property or owner being able to receive benefit from the service provided that is not available to all. Targeted rates may be charged on the basis of capital value or as a uniform annual charge (all properties are charged the same amount).

6. Funding Operating Expenditure

Operating expenditure is the day-to-day costs Council incurs to provide services including the maintenance of existing assets.

Council is able to fund operating expenditure from the following sources:

- General rates, including a UAGC
- Targeted rates
- Fees and charges
- Interest and dividends from investments
- Grants and subsidies from central government and other external sources
- Other operating revenue.

Council may choose to not fully fund operating expenditure in any activity in any particular year if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when considered prudent to avoid significant fluctuations in rates, fees or charges. Council will need to consider the requirements of s.100 (Balanced budget requirement) of the Local Government Act 2002.

Council may choose to fund more than is necessary to meet its operating expenditure in any particular year. Council will only budget for an operating surplus to fund an operating deficit in the immediately preceding or following years, or to repay debt. Council will have regard to forecast future debt levels when deciding whether it is prudent to budget for an operating surplus for debt repayment.

7. Funding Capital Expenditure

Capital expenditure is the costs Council incurs to provide new assets or the portion of replacement assets that increases the level of service or provides additional capacity to cater for growth in demand for that asset.

Council usually borrows, either internally or from capital markets, to fund capital expenditure. Borrowing for capital expenditure enables Council to spread the cost of providing a capital asset over the expected average life of

the asset. Council may choose to fund capital expenditure through borrowing and repay the loan over a shorter or longer period if this is considered prudent.

Borrowing for capital expenditure reduces peaks and troughs in the funding required each year and promotes intergenerational equity. Council's borrowing requirement and the cost of servicing loans for capital expenditure may be reduced to the extent that other funding sources can be used. Other funding sources include:

- Lump sum contributions
- Council reserve funds
- Development contributions
- Financial contributions
- Contributions from external parties - such as the NZTA
- Depreciation (funded through operational expenditure)
- Proceeds from asset sales
- Operating surpluses
- Bequests.

Minor capital expenditure is normally funded from rates in the year the expenditure is incurred.

Borrowing is undertaken in accordance with Council's Financial Strategy.

8. Funding Depreciation

Depreciation is the process of recognising that an asset is progressively used up over its useful life. By funding depreciation Council is able to provide funding to replace assets at the end of their useful life, or reduce the amount borrowed against the assets. Depreciation is funded within each activity as part of the operating revenue each year.

In general, Council will fully fund depreciation unless this is not considered to be in the best interests of the community, in which case it will decide on the appropriate level of depreciation to be funded (which may include not funding any depreciation). If Council decides to not fully fund depreciation of an asset it will provide the community with information on why it has decided not to fully fund depreciation and the likely impact of this decision.

9. Analysis to Decide the Funding of Activities

In preparing this policy, Council has considered each activity (and in some cases discrete items within an activity) to determine the most appropriate funding approach.

Council endeavours, where possible, to allocate cost to the primary beneficiary of any function or activity it provides.

The matters considered in the assessment are:

9.1 Distribution of benefits

The benefits provided by each activity are assessed using three categories; private benefit, group benefit and community-wide benefit. Out-of-district benefit is deemed to be community-wide benefit as there is generally no practicable way of allocating the cost of the benefit.

Private benefit accrues to identifiable individuals. Activities that provide a high level of private benefit will normally be funded from fees and charges.

An example of a Council service that provides a high level of private benefit is the processing and granting of a consent. This enables the applicant applying for a consent to undertake an activity that primarily benefits them.

Group benefit accrues to identifiable groups within the community. Activities that provide a high level of group benefit will normally be funded from a targeted rate or charge on properties able to receive the service.

An example of a Council service that provides a high level of group benefit is the provision of drinking water. Only those able to connect to the drinking water supply are able to benefit

Community-wide benefit (or a public benefit) accrues to the community or public as a whole.

An example of a Council service that provides a high level of community-wide benefit is the provision of the road network. Everyone has the opportunity to access and use the service.

Activities providing a community-wide benefit will normally be funded from the community as a whole, through the general rate or the UAGC, or in the case of roading, a targeted capital value rate across the whole district.

Out-of-district benefit accrues to visitors to the district or residents outside this district.

An example of a Council service that provides a level of out-of-district benefit is provision of the road network. Out-of-district residents are able to use our road network but there is no efficient means of charging for this.

Activities that provide out-of-district benefit are normally funded as if they provide district-wide benefit i.e. through the general rate or UAGC.

9.2 Period of benefit

Council considers the period over which the benefit provided by an activity flows. This provides a rationale for deciding the period over which expenditure should be funded. If the benefit an activity provides relates wholly or largely to the immediate year then the activity will normally be funded from rates or other income in the year the expense is incurred.

If the benefit is available over a longer period of time Council will normally borrow to fund the activity (or asset) to ensure future ratepayers who will enjoy some of the benefit will pay a fair proportion of the cost.

9.3 Control of negative effects (exacerbator pays)

Council may incur expenditure to protect the community from actual or potential problems. Council looks to identify the cost to the community of controlling negative effects caused by individual or group actions and to recover any costs directly from those causing the problem. Examples are dog control (funded from dog registration fees) and parking enforcement (funded from parking meter fees and infringement fees).

Where a fee or charge is not practicable or efficient the cost will normally be funded as if it provides district-wide benefit – through the general rate or UAGC.

9.4 Distinct funding

Transparency and accountability are most evident when an activity is funded separately from other activities. This allows ratepayers or payers of user charges to see how much money is being raised and spent on the activity, and to assess whether or not the cost of the activity represents value for money.

Council must consider the costs and benefits of distinct funding of an activity, including the consequences of the chosen funding method in terms of transparency and accountability. Council will fund activities distinctly where this is practicable and efficient.

9.5 Property versus people benefit

When deciding on the appropriate funding mechanism, Council will consider whether the benefit provided by an activity flows primarily to the value of the property or to the people who live at the property. In general, Council will look to fund property-related benefit through a rate based on capital value and people-related benefit through a UAC rate (all properties being charged the same amount). Making decisions on this type of assessment are often not straightforward and can be highly subjective.

9.6 Community impact

Council must consider the overall impact the allocation of liability for revenue needs has on the community.

Elected member judgement plays a key role in this assessment, as benefit distribution assessments and resulting cost allocations can be subjective.

In considering community impact and the allocation of costs, Council will have regard to:

- the impact a particular funding approach may have on the achievement of community outcomes,
- fairness and equity issues arising from the allocation of costs, and
- any other impacts on the community such as affordability of rates for some or all ratepayers.

Council may decide to fund an activity in a way other than generally prescribed in this policy if this approach to funding will promote the achievement of community outcomes or will address perceived affordability issues.

9.7 Practicality

Council may choose to make minor variations to the funding approach detailed in this policy for reasons of practicality. This is particularly the case for activities that are partly funded from fees and charges or from external funding sources.

In some cases the funding from fees and charges and external sources may vary from year to year or may be uncertain at the time of budgeting. In these cases Council may choose to adjust the funding from rates to accommodate changes or uncertainty.

For activities funded partly from fees and charges, the revenue generated from this source is often dependent on the demand for services at the time. Council may decide to adjust the level of funding from rates to smooth the level of fees and charges from year to year.

A net surplus in an activity will normally be credited to Council's general reserves unless that activity has its own surplus reserve, in which case it will be credited to the appropriate specified purpose reserve fund.

For activities with a specified purpose reserve fund, this fund may be used for rates smoothing purposes (rather than rates) if Council is able to use the fund in this way and deems this a prudent approach.

Council may fund capital expenditure from operating revenue in the year it is expended. Capital expenditure items may also be funded from reserves or loan funding so as to minimise extreme rate movements and more accurately reflect the inter-generational costs.

9.8 Voluntary Targeted Rates

In some circumstances Council applies a targeted rate on properties that agree to receive and fund services not normally provided by Council. Applications from communities for this funding approach to be used are considered by Council on a case-by-case basis. Council will only agree to apply a rate of this type if this approach is the most cost-effective means of funding the service.

Examples where Council has agreed to this approach are the Lyndhurst water supply and the Barrhill village water supply where Council supplied loan funding to these schemes. Council will only rate properties where the owner has agreed to participate in the scheme.

Council will not apply availability charges (half rates) on properties able to receive the service that do not take it up. A property is either rated for the service or it is not.

10. Activity summary

A summary of all Council activities under this Revenue and Financing Policy is shown in the tables below.

Local Infrastructure

	UAGC	General Rate	Targeted Rate (CV)	Targeted Rate (UAGC)	Fees & Charges
DISTRICT WATER MANAGEMENT					
Drinking Water				100%	
Wastewater				100%	
Stormwater		10%	90%		
Stockwater Management		10-20%		80-90%	
TRANSPORTATION					
Roads			90-100%		0-10%
Footpaths and Cycleways		30%	70%		
WASTE REDUCTION & RECOVERY					
Solid Waste Collection				100%	
Solid Waste Management		40%			60%

Public Services

	UAGC	General Rate	Targeted Rate (CV)	Targeted Rate (UAGC)	Fees & Charges
COMMUNITY GOVERNANCE & DECISION-MAKING					
Community Grants and Funding	100%				
Ashburton Water Management Zone Committee		100%			
Ashburton Youth Council	100%				
Council	100%				
Methven Community Board				100%	

	UAGC	General Rate	Targeted Rate (CV)	Targeted Rate (UAGC)	Fees & Charges
ECONOMIC DEVELOPMENT					
Business & Economic Development		100%			
Commercial Property & Forestry	Contribution to general rate and UAGC	Contribution to general rate and UAGC			
District Promotion (Tourism)		50%	50%		

	UAGC	General Rate	Targeted Rate (CV)	Targeted Rate (UAGC)	Fees & Charges
COMMUNITY SERVICES					
Elderly Persons Housing		0-30%			70-100%
Public Conveniences	80%		20%		
Community Safety (CCTV and security)	75%	25%			
Memorial Halls and Reserve Boards			100%		
Reserves and Campgrounds		65-75%			25-35%

	UAGC	General Rate	Targeted Rate (CV)	Targeted Rate (UAGC)	Fees & Charges
PARKS & OPEN SPACES					
Cemeteries		20-40%			60-80%
Rural Beautification		50%	50%		
Urban Beautification (including Ashburton Domain)		50%	50%		

	UAGC	General Rate	Targeted Rate (CV)	Targeted Rate (UAGC)	Fees & Charges
RECREATION FACILITIES					
Ashburton Library	100%				

	UAGC	General Rate	Targeted Rate (CV)	Targeted Rate (UAGC)	Fees & Charges
Ashburton Museum	100%				
EA Networks Centre	50-70%				30-50%

Regulatory Functions

	UAGC	General Rate	Targeted Rate (CV)	Targeted Rate (UAGC)	Fees & Charges
Alcohol Licensing & Gambling Venue Consenting		20-25%			75-80%
Animal Control		5-15%			85-95%
Building Regulation		10-20%			80-90%
District Planning (including Land Information)		20-40%			60-80%
District Plan (policy & development)		100%			
Environmental Health – Monitoring & Enforcement		100%			
Environmental Health – Licensing		10-15%			85-90%
Emergency Management	50%	50%			
Parking					100%

11. Activity details - Funding analysis for each council service or activity

Local Infrastructure

11.1 District Water Management – Drinking Water

Activity description	Council provides drinking water to homes and businesses through 12 potable water schemes which service over 70% of residents. Council is responsible for sourcing, treating, reticulating and monitoring the water supplied. Council rates for the loan interest and principal costs for two non-Council drinking water supplies – Lyndhurst and Barrhill. This is done through a voluntary rate as provided for under this policy.
Community outcome(s)	<p>A balanced and sustainable environment - the sustainable use and management of water is of central importance to all residents and promotes environmental well-being.</p> <p>A prosperous economy based on innovation and opportunity - access to safe quality drinking water is important for economic well-being.</p>
Who benefits and when?	Group benefit 100% - provided to residents able to connect to Council water schemes and access water on a daily basis.
Whose acts create a need?	High users can place extra burden on the supply necessitating greater storage capacity etc. Such users should pay for their supply on a volumetric basis. Vacant sections and unconnected rating units benefit from the provision of firefighting capacity and should be charged an availability charge.
Separate funding	The benefits of this activity are primarily private therefore separate funding through a targeted rate is considered appropriate. Non-residential and extra-ordinary residential connections are considered 'high users' therefore are charged for any excess of their allocation.
Funding source(s)	<p>Operating expenditure – targeted rate UAC 100%</p> <p>Rated as a fixed rate on all connected properties to promote affordability. The exceptions are:</p> <ul style="list-style-type: none"> • Lyndhurst and Barrhill (fully funded within each scheme) • Methven/Springfield and Montalto (rate is based on water used and property size), non-residential and residential extra-ordinary properties (targeted fixed rate for a set amount of water with excess water charged per cubic metre) • Serviceable but not connected properties (charged half the fixed rate). <p>Capital expenditure</p> <ul style="list-style-type: none"> • Sourced from operating expenditure, reserves or loan funding. • Development contributions are levied under Council's Development and Financial Contributions policy

- Government subsidies may be provided for some expenditure. Council rate contribution is net of any subsidies.

11.2 District Water Management – Wastewater

Activity description	Council provides wastewater schemes in Ashburton, Methven and Rakaia for the collection, treatment and disposal of wastewater.
Community outcome(s)	<p><i>A balanced and sustainable environment</i> - the safe collection, treatment and disposal of wastewater is important to maintain environmental well-being.</p> <p><i>A prosperous economy based on innovation and opportunity</i> – the safe collection, treatment and disposal of wastewater is important for the overall economic well-being of the district.</p> <p><i>A district of great spaces and places</i> - the safe collection, treatment and disposal of wastewater assists with making the district a great place to live, work and play.</p>
Who benefits and when?	Group benefit 100% - provided to residents able to connect to Council wastewater schemes.
Whose acts create a need?	Commercial volumes of waste can result in higher costs to run the network, as do industrial waste discharges to the network. Non-complying discharges require monitoring and enforcement.
Separate funding	The benefits of this activity are primarily private therefore, separate funding through a targeted rate is appropriate.
Funding source(s)	<p>Operating expenditure – targeted UAC rate 100%</p> <ul style="list-style-type: none"> • Residential rated as a UAC on properties able to connect to a Council wastewater scheme. Note – Rakaia ratepayers connected to Wastewater will pay the standard group rate, and the ratepayers who still owe a portion of the Wastewater loan will have an additional loan rate on top of the group rate. • Non-residential rated as a targeted fixed rate as for residential for up to three toilet pans. If more than three pans exist then a pan charge of 33% of the residential rate per additional pan is applied. • Serviceable properties (able to be serviced by a wastewater scheme but not connected are charged half the applicable fixed rate). <p>Capital expenditure</p> <ul style="list-style-type: none"> • Sourced from operating expenditure, reserves or loan funding. • Rates are set net of contributions from development contributions, trade waste fees, revenue from operations associated with wastewater operations and Government subsidies. • Development Contributions are levied under Council's Development and Financial Contributions Policy

- **Trade waste fees** - non-residential properties connected to a wastewater scheme are assessed for a requirement to pay trade waste levies under the Council's Trade Waste Bylaw. Net revenue from levies is applied to the relevant wastewater scheme.
- **Ocean Farm** net revenue offsets the targeted fixed rate for the group scheme.
- **Government subsidies** may be provided for some expenditure.

11.3 District Water Management – Stormwater

Activity description	Council provides stormwater collection, treatment and disposal networks in Ashburton, Methven, Rakaia and some rural communities.
Community outcome(s)	<p>A balanced and sustainable environment - the safe collection, treatment and disposal of stormwater helps maintain environmental well-being.</p> <p>A prosperous economy based on innovation and opportunity - the safe collection, treatment and disposal of stormwater protects property and enables transport networks to function in rain events, contributing to economic well-being.</p> <p>A district of great spaces and places - the safe collection, treatment and disposal of stormwater assists with making the district a great place to live, work and play.</p>
Who benefits and when?	<p>Group benefit 90% - provided to residents who are served by stormwater collection, treatment and disposal infrastructure.</p> <p>Community-wide benefit 10% - accrues through protection of assets, such as roads, and by enabling safe transit within the scheme area during rainfall events.</p>
Whose acts create a need?	Property developments that fail to provide appropriate stormwater collection, treatment and discharge to the stormwater network (if in the area serviced) could result in adverse impacts on neighbouring or downstream properties.
Separate funding	The benefits of Stormwater are experienced specific to location therefore separate funding through a targeted rate is considered appropriate. Funding the community-wide benefit separately through the general rate reflects the protection provided to public health, asset protection and safe transit of stormwater.
Funding source(s)	<p>Operating expenditure – targeted CV rate 90%, general rate 10%</p> <ul style="list-style-type: none"> • Rated on properties in the catchment of a Council Stormwater scheme with a separate rate for each scheme. <p>Capital expenditure</p> <ul style="list-style-type: none"> • Sourced from operating expenditure, reserves or loan funding.

11.4 District Water Management – Stockwater Management

Activity description	Council owns and operates a stockwater network that includes over 2,058 km of water races.
Community outcome(s)	<p><i>A balanced and sustainable environment</i> - the management of the stockwater network is important to maintain, and improve, environmental well-being.</p> <p><i>A prosperous economy based on innovation and opportunity</i> - the stockwater service enables economic well-being and efficient farming of stock in the district.</p> <p><i>A district of great spaces and places</i> - the use of the stockwater network assists with enhancing the district's spaces and places.</p>
Who benefits and when?	<p>Group benefit 80-90% - is provided to properties able to use the stockwater service.</p> <p>Community-wide benefit 10-20% - is provided through the flood protection function, firefighting capability provided by the water races, and the processing of race closure applications.</p>
Whose acts create a need?	Properties with some length of stockwater race create a need for the service through access to water. The entire community creates a need through the protection provided by the water races, and the ecological value of many of the races.
Separate funding	As there is a clear private benefit from access to stockwater, it is considered appropriate to charge these properties separately for the service.
Funding source(s)	<p>Operating expenditure – targeted UAC rate 80-90%, general rate 10-20%</p> <ul style="list-style-type: none"> • The targeted UAC is charged per metre of water race on a property. The charge is detailed in the Council's Long-Term Plan. • Exemption – Urban properties in Ashburton and Methven with a stockwater race running past the boundary are exempt from stockwater charges. <p>Capital expenditure</p> <ul style="list-style-type: none"> • Sourced from operating expenditure, reserves or loan funding.

11.5 Transportation - Roads

Activity description	Council provides and maintains the district's road network and associated infrastructure (excluding the state highways).
Community outcome(s)	<i>A prosperous economy based on innovation and opportunity</i> - supports economic well-being through enabling the distribution of goods, which supports local, regional and national economies.

	<i>A district of great spaces and places</i> - roads support social well-being by enabling the community to carry out social activities in a safe and reliable way.
Who benefits and when?	Community-wide benefit 100% - provided to all residents and visitors to the district as all are able to use the road network.
Whose acts create a need?	All residents, as well as those travelling through the district, create a need for a reliable roading network.
Separate funding	Benefits are primarily district-wide therefore applying separate funding to different ratepayer groups, or charging visitors to the district, is not appropriate.
Funding source(s)	<p>Operating expenditure – fees and charges 0-10%, targeted CV rate 90-100% (not including NZTA funding and Petroleum Tax revenue)</p> <ul style="list-style-type: none"> The targeted rate is charged on all separately used or inhabited properties in the district. This is to transparently identify the rates paid for roads by each ratepayer. It is levied on the same basis as the general rate. <p>Capital expenditure</p> <ul style="list-style-type: none"> As for operating expenditure (not including NZTA funding). Council may decide to loan fund specific roads projects on a case by case basis. Projects will be assessed on the following criteria: <ul style="list-style-type: none"> Expected useful life of the asset – must be over 25 years, and Cost – the impact on rates is such that funding the project in the year it is undertaken would increase rates unreasonably if funded only from that year. NZTA funding - Council receives funding from NZTA for qualifying road maintenance and capital projects. The annual level of funding depends on the ‘financial assistance rate’ currently applicable for Ashburton District and on the work programme. Financial contributions – are levied under the Ashburton District Plan. Private contribution - Council may agree to undertake specified work in addition to its planned work programme at the request of a resident if the resident pays for the work.

11.6 Transportation – Footpaths & Cycleways

Activity description	Council provides and maintains footpaths, streetscapes and cycleways in urban communities in the district.
Community outcome(s)	<p><i>A prosperous economy based on innovation and opportunity</i> - footpaths help promote economic well-being, particularly in the central business areas of the district.</p> <p><i>A district of great spaces and places</i> - footpaths and cycleways support social well-being and enable the community to connect through safe and smooth travel.</p>

Who benefits and when?	<p>Group benefit 70% - is provided to residents of towns where footpaths and cycleways are provided.</p> <p>Community-wide benefit 30% - is provided to all residents through having attractive and safe footpaths, cycleways and streetscapes throughout the district.</p>
Whose acts create a need?	All residents, as well as those visiting the district, create a need for safe footpaths and cycleways.
Separate funding	The degree of benefit experienced by those residing or working in areas with footpaths and cycleways determine separate funding is appropriate.
Funding source(s)	<p>Operating expenditure – targeted CV rate 70%, general rate 30% (not including NZTA funding)</p> <ul style="list-style-type: none"> Rate is targeted to identified communities. <p>Capital expenditure</p> <ul style="list-style-type: none"> As for operating expenditure with loan funding undertaken as required. Council receives funding from NZTA for approved footpath improvements. The level of funding each year depends on the ‘financial assistance rate’ currently applicable for Council and on the work programme approved by NZTA. Financial contributions – are levied under the Ashburton District Plan Exception - properties in the Ashburton inner CBD rating area pay a CV targeted rate for additional footpath cleaning.

11.7 Waste Reduction & Recovery – Solid Waste Collection

Activity description	Council provides a kerbside wheelie bin rubbish and recycling collection service in Ashburton, Willowby, Lake Hood, Winslow, Fairton, Methven, Rakaia, Hinds, Mayfield and Mt Somers.
Community outcome(s)	<p>A balanced and sustainable environment - the recycling of suitable material and the appropriate disposal of residual waste helps minimise the negative effects of waste on our community</p> <p>A district of great spaces and places - the correct management of waste assists with making the district a great place to live, work and play.</p>
Who benefits and when?	Group benefit 100% - provided to owners of properties receiving Solid Waste Collection.
Whose acts create a need?	Users of the service create an immediate and an ongoing need.
Separate funding	It is appropriate to recover the private benefit via a funding mechanism applied to users.
Funding source(s)	Operating expenditure – targeted UAC rate 100%

- Charged to all properties able to receive the Council rubbish and recycling wheelie bin collection service.

Capital expenditure

- Sourced from operating expenditure, reserves or loan funding.

11.8 Waste Reduction & Recovery – Solid Waste Management

Activity description	Council operates resource recovery parks in Ashburton and Rakaia, and satellite recycling facilities in smaller communities throughout the district. Recyclable material is diverted from the waste stream for re-use and residual waste is transported to the regional landfill at Kate Valley for disposal.
Community outcome(s)	<p>A balanced and sustainable environment - the recycling of suitable material and the appropriate disposal of residual waste promotes environmental well-being and helps minimise the negative effects of waste on our community.</p> <p>A district of great spaces and places - the correct management of waste assists with making the district a great place to live, work and play.</p>
Who benefits and when?	<p>Private benefit 60% - provided through having facilities to recycle or dispose of unwanted waste and recyclable materials.</p> <p>Community-wide benefit 40% - from having refuse disposed of safely.</p>
Whose acts create a need?	Individuals using this service create a need through the requirement to manage solid waste. The entire community create a need through requiring protection of the environment from adverse impacts.
Separate funding	It is appropriate to recover the private benefit through applying separate user charges funding.
Funding source(s)	<p>Operating expenditure – fees and charges 60%, general rate 40%</p> <p>Capital expenditure</p> <ul style="list-style-type: none"> • Sourced from operating expenditure, reserves or loan funding.

Public Services

11.9 Community Governance & Decision-making – Community Grants & Funding

Activity description	<p>Council provides grant funding for community projects, services, facilities and events. Grants are predominately for ‘not for profit’ community and voluntary groups working for the benefit of Ashburton District communities. The following community grants and funding are covered by this activity:</p> <ul style="list-style-type: none"> • Arts & Culture – Ashburton Trust Event Centre (ATEC) Funding, Ashburton Art Gallery Funding, Community Library Grant • Community Development - Safer Ashburton Funding, Community Agency Funding, Community Project Grant • Economic Development - Community Events Grant • Natural & Built Environment - Biodiversity Grant, Heritage Grant, Community Infrastructure Grant • Sport & Recreation - Sport Mid Canterbury Funding, School Holiday Programme Grant, Community Pools Health & Safety Grant (the Community Pools Grant) • Discretionary
Community outcome(s)	<p>Residents are included and have a voice - community groups and organisations can access Council funding to provide a range of initiatives that contribute to residents’ quality of life.</p> <p>A district of great spaces and places - many community organisations funded by Council look after important community facilities.</p>
Who benefits and when?	Community-wide benefit 100% - provided through residents being able to access community services, facilities, projects and events grant funded by Council grants.
Whose acts create a need?	All ratepayers create a need through benefitting from being able to apply from community grants and funding.
Separate funding	It would not be appropriate to charge individual groups of ratepayers given the strong community-wide public benefit.
Funding source(s)	<p>Operating expenditure – UAGC 100%</p> <ul style="list-style-type: none"> • Exception – Methven Pool receive a grant funded as a targeted rate under the Methven Community Board activity. <p>Capital expenditure</p> <ul style="list-style-type: none"> • Sourced from operating expenditure, reserves or loan funding.

11.10 Community Governance & Decision-making – Democracy (Ashburton Water Management Zone Committee)

Activity description	The Ashburton Water Management Zone Committee (ZC) provide important representation for residents in the district on water management issues.
Community outcome(s)	Residents are included and have a voice – The ZC provide a framework for democratic decision-making at the local level.
Who benefits and when?	Group benefit 100% - provided through representation, advocacy, communication and engagement for all residents on water management issues.
Whose acts create a need?	All residents create a need through requiring representation.
Separate funding	It would not be appropriate to apply separate funding as all ratepayers benefit from this representation.
Funding source(s)	Operating expenditure – general rate 100% Capital expenditure <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.11 Community Governance & Decision-making – Democracy (Ashburton Youth Council)

Activity description	The Ashburton Youth Council (AYC) provide important representation for the younger residents in the district.
Community outcome(s)	Residents are included and have a voice – AYC provides a framework for democratic decision-making at the local level.
Who benefits and when?	Group benefit 100% - provided through representation, advocacy, communication and engagement for youth residents.
Whose acts create a need?	All residents create a need through requiring representation.
Separate funding	It would not be appropriate to apply separate funding as all ratepayers benefit from this representation.
Funding source(s)	Operating expenditure – UAGC 100% Capital expenditure <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.12 Community Governance & Decision-making – Democracy (Council)

Activity description	Council undertakes a range of planning and decision-making processes associated with its local democratic functions. Council meetings, decision-making, research, monitoring and community engagement provides the community with the opportunity to participate appropriately in Council's decision-making processes.
Community outcome(s)	Residents are included and have a voice - Council provides a framework for democratic decision-making at the local level.
Who benefits and when?	Group benefit 100% - provided through representation, advocacy, communication and engagement for all residents.
Whose acts create a need?	All residents create a need through requiring representation on issues.
Separate funding	It would not be appropriate to apply separate funding as all ratepayers benefit from this representation.
Funding source(s)	Operating expenditure – UAGC 100% Capital expenditure <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.13 Community Governance & Decision-making – Democracy (Methven Community Board)

Activity description	The Methven Community Board (MCB) provides a co-ordinated voice that represents the Methven community's interests in Council decision-making.
Community outcome(s)	Residents are included and have a voice - MCB provides a framework for democratic decision-making at the local level.
Who benefits and when?	Community-wide benefit 100% - provided to Methven residents as the Board represents the Methven area only and no other part of the district has this level of additional representation.
Whose acts create a need?	All residents of Methven create a need for the representation provided by MCB.
Separate funding	It is appropriate to charge Methven ratepayers separately as they receive the benefit of additional representation.
Funding source(s)	Operating expenditure – targeted rate UAC 100% <ul style="list-style-type: none"> All properties in the Methven Community Board rating area are charged this rate. This activity includes a grant for Methven Pool, charged through the same method.

11.14 Economic Development – Business & Economic Development

Activity description	Council provides funding for business and economic development in the district.
Community outcome(s)	<p><i>A prosperous economy based on innovation and opportunity</i> - encouraging new and supporting existing economic activity in the district strengthens our local economy.</p> <p><i>A district of great spaces and places</i> - economic growth and prosperity enables our community to fund services and facilities that contribute to quality of life.</p>
Who benefits and when?	Community-wide benefit 100% - provided through the economic growth and development of the district.
Whose acts create a need?	The need for business and economic development is experienced by the district as a whole through encouraging new, and supporting existing, economic activity to strengthen the local economy.
Separate funding	Separate funding would not be appropriate given the clear community-wide benefit.
Funding source(s)	<p>Operating expenditure – general rate 100%</p> <p>Capital expenditure</p> <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.15 Economic Development – Commercial Property

Activity description	Council holds commercial property as part of its investment portfolio.
Community outcome(s)	<i>A prosperous economy based on innovation and opportunity</i> - much of Council's property portfolio is held primarily to gain a return however, it also contributes to economic development through providing properties for business use in the district.
Who benefits and when?	Community-wide benefit 100% - provided through net property income being used to offset Council's rate requirement.
Whose acts create a need?	All ratepayers create a need for this activity through the offset provided to rates.
Separate funding	Separate funding is not appropriate as this activity is used to offset rates.
Funding source(s)	<p>Net operating revenue is applied to offset the general rate, and the UAGC in proportion to the requirement for each.</p> <p>Funds from property sales are not used to offset rates but can be used to meet interest costs on loans associated with property (such as for the Ashburton Business Estate). Otherwise they are held in the Property reserve account or used to repay Property related debt.</p> <p>Capital expenditure</p>

- Sourced from operating expenditure, reserves or loan funding.
- **Exception** - Council has decided to repay loans for capital expenditure for the construction of the EA Networks Centre over 40 years rather than the normal 25 years or less. This is to promote community outcomes through making the loan repayments more affordable for ratepayers. It is likely that the period of the loan will be reviewed in future with a view to reducing the term towards the more usual 25 year duration.
- **Development contributions** – are charged for community infrastructure under the Development and Financial Contributions Policy.

11.16 Economic Development – Forestry

Activity description	Council has forestry investments as part of its investment portfolio.
Community outcome(s)	<i>A prosperous economy based on innovation and opportunity</i> - Council's forestry portfolio is held primarily to gain a financial return. It also contributes to the districts economy.
Who benefits and when?	Community-wide benefit 100% - provided through net forestry income being used to offset the rate requirement.
Whose acts create a need?	Council's forestry portfolio is held primarily to gain a return therefore all ratepayers create a need.
Separate funding	Separate funding is not appropriate as this activity is used to offset rates.
Funding source(s)	<p>Net revenue and any reserve funds can be used by Council to offset the general rate and UAGC in proportion to the respective requirement. Council may also choose to use forestry reserve funds to offset the general rate and UAGC if there is no surplus.</p> <ul style="list-style-type: none"> • Council is currently reviewing its future approach to its forestry holdings and may look to sell some land held for that purpose. The proceeds of any sales of forestry land will be credited to the Property reserve fund.

11.17 Economic Development – District Promotion (Tourism)

Activity description	Council provides district promotion funding to undertake marketing of the district.
Community outcome(s)	<p><i>A prosperous economy based on innovation and opportunity</i> – district promotion contributes to the diversity and strength of the local economy, and enhances social and economic well-being.</p> <p><i>A district of great spaces and places</i> - tourism development creates spaces and places for local residents and visitors to enjoy.</p>
Who benefits and when?	Group benefit 50% - provided to businesses through the direct and indirect economic gain from visitors to the district.

	Community-wide benefit 50% - provided through enhancing economic, social and cultural well-being in attracting visitors to the district.
Whose acts create a need?	Tourism contributes to the strength of the local economy therefore businesses create a need for this activity. All ratepayers create a need through enjoying the benefits of tourism development.
Separate funding	Tourism provides a benefit both to businesses in urban areas of Ashburton, Methven and Rakaia, and all ratepayers in the district. Separate funding is therefore appropriate.
Funding source(s)	Operating expenditure – targeted CV rate 50%, general rate 50% <ul style="list-style-type: none"> Pro rata allocation based on the capital value of businesses in the Ashburton, Methven and Rakaia urban areas. Capital expenditure <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.18 Community Services – Elderly Persons Housing

Activity description	Council provides elderly housing units in Ashburton, Methven and Rakaia to enable elderly residents of limited means to live independently in quality accommodation.
Community outcome(s)	Residents are included and have a voice - affordable accommodation for older residents enables them to live independently and safely.
Who benefits and when?	Private benefit 100% - tenants receive private benefit from this service.
Whose acts create a need?	Some older residents require affordable accommodation to enable them to live independently and safely.
Separate funding	Given the high private benefit, it is appropriate to implement user charges for the majority of the cost. However, due to the age of the units and legislative requirements to bring the units up to standard, Council has introduced a general rate component for the activity in the short-term to alleviate the increase on existing tenants.
Funding source(s)	Operating expenditure – fees and charges 70-100%, general rate 0-30% <ul style="list-style-type: none"> Fees and charges are collected through rental income The general rate component is included to assist with necessary unit upgrades. An increase in fees and charges to cover these upgrades would be too severe and unsustainable. Capital expenditure <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.19 Community Services – Public Conveniences

Activity description	Council operates public convenience facilities to allow for the health and safety of the community and to protect the environment.
Community outcome(s)	<p><i>A prosperous economy based on innovation and opportunity</i> - providing public conveniences in the business areas of the district makes these areas more amenable for residents and visitors</p> <p><i>A district of great spaces and places</i> - the provision of public conveniences supports the spaces and places of local communities.</p>
Who benefits and when?	<p>Group benefit 20% - provided to business properties in the Ashburton, Methven and Rakaia business districts as these businesses don't need to provide facilities for shoppers themselves.</p> <p>Community-wide benefit 80% - provided to all residents and visitors able to use facilities.</p>
Whose acts create a need?	All ratepayers create a need through having access to public conveniences. Businesses within proximity of conveniences receive an additional benefit.
Separate funding	Separate funding is appropriate as both businesses and the community as a whole experience benefits.
Funding source(s)	<p>Operating expenditure – targeted CV rate 20%, UAGC 80%</p> <ul style="list-style-type: none"> The targeted rate applies to all business (non-residential) properties in Ashburton, Methven and Rakaia urban rating areas (pro rata on capital value of these businesses in the area). <p>Capital expenditure</p> <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding. Financial contributions – are levied under the Ashburton District Plan

11.20 Community Services – Community Safety (CCTV and security)

Activity description	Council provides community safety initiatives for the community including CCTV monitoring and security patrols.
Community outcome(s)	<i>A district of great spaces and places</i> - monitoring key spaces within the community enhances community safety.
Who benefits and when?	Community-wide benefit 100% - accrues through the monitoring of key locations.
Whose acts create a need?	All residents create a need through having access to key spaces in the district.
Separate funding	It would not be appropriate to apply separate funding as all residents experience the benefits of Community Safety.
Funding source(s)	<p>Operating expenditure – UAGC 75%, general rate 25%</p> <p>Capital expenditure</p>

- Sourced from operating expenditure, reserves or loan funding.

11.21 Community Services – Memorial Halls and Reserve Boards

Activity description	There are a number of Memorial Halls and Reserve Boards in the district which provide community facilities and visitor attractions. Council provides funding to assist with maintenance of those facilities.
Community outcome(s)	<i>A district of great spaces and places</i> - reserves, memorial and other community halls provide important recreation and social facilities for local communities.
Who benefits and when?	Community-wide benefit 100% - provided through having the halls and reserves available for use by residents. Group benefit - provided to residents in proximity to reserves and memorial halls. As an example, Methven have location benefit over and above district-wide access to the Methven Heritage Centre (which incorporates the Mt Hutt Memorial Hall).
Whose acts create a need?	All ratepayers create a need through being able to access memorial halls and reserves.
Separate funding	It is appropriate to apply a number of targeted rates based on the proximity to memorial halls and reserve boards as it is these ratepayers who benefit above others.
Funding source(s)	Operating expenditure – targeted CV rate 100% The targeted rate is applied as follows: <ul style="list-style-type: none"> • Methven – including the Mt Hutt Memorial Hall and Heritage Centre, Methven Recreation Reserve • Rakaia – including the Rakaia Memorial Hall and Rakaia Recreation Reserve • Ashburton Urban Amenity rate – including Tinwald Memorial Hall and Tinwald Recreation Reserve • Rural amenity rate – all other halls and recreation reserves.

11.22 Community Services – Reserves & Campgrounds

Activity description	Council provides a range of formal and informal campgrounds throughout the district. There are a number of special purpose reserves vested in Council which are held for specified purposes such as gravel extraction or recreation.
Community outcome(s)	<i>A district of great spaces and places</i> - reserves and campgrounds provide recreation and social facilities for local residents and visitors.
Who benefits and when?	Private benefit 50% - provided to users of campgrounds and other facilities available through this activity.

	Community-wide benefit 50% - provided through the use of the reserves, camp grounds, the Ashburton skate-park and other facilities. Tourism resulting from facilities provided brings economic benefit to the district.
Whose acts create a need?	Local residents and visitors create a need through having access to reserves and campgrounds.
Separate funding	Given the high private benefit, it is appropriate to apply separate funding through the user pays principle. Insufficient revenue would be obtained through fees and charges and it would be unfavourable to increase fees to such a level that the activity could sustain itself. The general rate is therefore required to support funding.
Funding source(s)	Operating expenditure – fees and charges 25-35%, general rate 65-75% Capital expenditure <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding. Financial contributions – are levied under the Ashburton District Plan.

11.23 Parks & Open Spaces - Cemeteries

Activity description	Cemeteries are important for Council to ensure a safe and healthy community, and to preserve the social history of the district.
Community outcome(s)	<i>A balanced and sustainable environment</i> - Council ensures interments are undertaken in ways that minimise the impact on the environment. <i>A district of great spaces and places</i> - Council provides cemeteries that have a park-like setting.
Who benefits and when?	Private benefit 80% - provided to users of cemetery facilities, largely friends and family of deceased. Community-wide benefit 20% - provided through ensuring the deceased are interred in a sanitary way.
Whose acts create a need?	All ratepayers create a need for cemeteries through requiring cemetery services and open spaces. There is a strong private benefit which Council attempts to recover through fees and charges.
Separate funding	As much as possible, Council attempts to recover the private good aspect of this activity through fees and charges therefore separate funding is appropriate.
Funding source(s)	Operating expenditure – fees and charges 60-80%, general rate 20-40% Capital expenditure <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.24 Parks & Open Spaces – Rural Beautification

Activity description	Council undertakes projects and maintenance to enhance the streetscapes, sports grounds, parks and reserves in rural areas of the district. This activity excludes Ashburton, Methven and Rakaia which make up the 'Township beautification' activity.
Community outcome(s)	<i>A district of great spaces and places</i> - Council provides open spaces that are attractive for residents and visitors.
Who benefits and when?	Group benefit 50% - is provided to rural residents who benefit directly from this activity by having attractive places to live. Community-wide benefit 50% - provided through having enhanced rural surroundings which are attractive places to live and visit.
Whose acts create a need?	All ratepayers create a need for rural beautification through having access to visit and enjoy these areas. Those in close proximity create an additional need.
Separate funding	Separate funding is appropriate as those in close proximity experience the need for rural beautification more greatly. It would not be appropriate to apply user charges given the community-wide benefit.
Funding source(s)	<p>Operating expenditure – targeted CV rate 50%, general rate 50%</p> <ul style="list-style-type: none"> The targeted CV rate is charged to all properties except those in the Ashburton, Methven and Rakaia urban rating areas. <p>Capital expenditure</p> <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding. Financial contributions - Council charges financial contributions for the acquisition and development of recreation and open space under provisions of the District Plan. This funding source may be used in some instances to fund qualifying capital expenditure.

11.25 Parks & Open Spaces – Urban Beautification (including Ashburton Domain)

Activity description	Council undertakes projects and maintenance to enhance the streetscapes, sports grounds, parks and reserves and the Ashburton Domain in the towns of the district, including Lake Hood. Council also collects and disposes of rubbish from street-side litter bins located in Ashburton, Methven and Rakaia.
Community outcome(s)	<i>A district of great spaces and places</i> - Council provides open spaces that are attractive for residents and visitors.
Who benefits and when?	Group benefit 50% - provided to residents and businesses in Ashburton, Methven and Rakaia through these localities being more attractive places to live, work and shop. Community-wide benefit 50% - provided through residents being able to use the recreational facilities provided and from having attractive towns that are clean throughout the district.

Whose acts create a need?	All ratepayers create a need for urban beautification through having access to visit and enjoy these areas. Those in close proximity create an additional need.
Separate funding	Separate funding is appropriate as those in close proximity experience the need for urban beautification more greatly. It would not be appropriate to apply user charges given the community-wide benefit.
Funding source(s)	<p>Operating expenditure – targeted CV rate 50%, general rate 50%</p> <p>The targeted CV rate is applied based on the cost of services relative to each area:</p> <ul style="list-style-type: none"> • Ashburton (Ashburton urban amenity rating area, including Lake Hood) • Methven (Methven urban rating area) • Rakaia (Rakaia urban rating area). <p>Capital expenditure</p> <ul style="list-style-type: none"> • Sourced from operating expenditure, reserves or loan funding. • Financial contributions - Council charges financial contributions for the acquisition and development of recreation and open space under provisions of the District Plan. This funding source may be used in some instances to fund qualifying capital expenditure.

11.26 Recreation Facilities – Ashburton Public Library

Activity description	Council operates the Ashburton Public Library which provides educational, informational and recreational resources for the district's residents.
Community outcome(s)	A district of great spaces and places - libraries are an important community resource for education and recreation and also provide opportunities for social engagement in the community (social well-being).
Who benefits and when?	Community-wide benefit 100% - provided to residents who use the library services.
Whose acts create a need?	All ratepayers create a need as libraries have a strong public benefit which can be enjoyed by all. Visitors to the district also create a need.
Separate funding	It is appropriate to charge all ratepayers given the high public benefit. Separate funding, for example through a full user pays system, would not be appropriate as insufficient revenue would be obtained. Charging for general book issues at a level that would generate substantial income would result in significant declines in usage and issues.
Funding source(s)	<p>Operating expenditure – UAGC 100%</p> <p>Capital expenditure</p>

- Sourced from operating expenditure, reserves or loan funding.
- Council considers that allocating costs only to users of the service would be an unreasonable disincentive to those residents use of the library services. Funding is therefore allocated district-wide.
- **User charges** from book rentals, fines and chargeable services such as printing currently contribute a small (less than 10%) portion of the costs of providing this service. The funding allocation in this policy excludes these sources.
- Capital expenditure on the Ashburton library building is addressed under Commercial Property.

11.27 Recreation Facilities – Ashburton Museum

Activity description	Council operates the Ashburton Museum and aims to be the leading cultural heritage destination for Ashburton District.
Community outcome(s)	<i>A district of great spaces and places</i> - Council cares for and shares collections related to the Ashburton District and New Zealand, to enable residents to enjoy social, cultural and heritage experiences that showcase our unique identity.
Who benefits and when?	Community-wide benefit 100% - is provided through having cultural and heritage activities accessible to residents.
Whose acts create a need?	All ratepayers create a need as museums have a strong public benefit which can be enjoyed by all. Visitors to the district also create a need.
Separate funding	It is appropriate to charge all ratepayers given the high public benefit. Separate funding, for example through a full user pays system, would not be appropriate as insufficient revenue would be obtained. Charging for museum entrance at a level that would generate substantial income would result in a significant decline in usage.
Funding source(s)	Operating expenditure – UAGC 100% Capital expenditure <ul style="list-style-type: none"> • Sourced from operating expenditure, reserves or loan funding. • Capital expenditure on the Ashburton Museum building is addressed under Commercial Property

11.28 Recreation Facilities – EA Networks Centre

Activity description	Council owns and operates the EA Networks Centre to encourage and support recreation and leisure by providing affordable accessible and quality sports facilities. Council also operates the Tinwald Community Pool during the summer months.
Community outcome(s)	<i>A district of great spaces and places</i> - Council provides quality recreation facilities that are accessible and affordable to residents and visitors.

Who benefits and when?	<p>Private benefit 50% - provided to users of recreation facilities and services.</p> <p>Community-wide benefit 50% - provided to residents through being able to use facilities and services provided or funded by Council.</p>
Whose acts create a need?	Both the entire community and individual ratepayers create a need for the EANC. There is a strong private good aspect where individuals can access and use the facility, and a public good aspect where the district benefits from hosting events.
Separate funding	As much as possible, Council attempts to recover the private good aspect of this activity through fees and charges therefore separate funding is appropriate.
Funding source(s)	<p>Operating expenditure – fees and charges 30-50%, UAGC 50-70%</p> <p>Capital expenditure</p> <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding. Capital expenditure on the EA Networks Centre building is addressed under Commercial Property.

Regulatory Functions

11.29 Alcohol Licensing & Gambling Venue Consenting

Activity description	Council manages the sale and supply of alcohol and gambling licensing by way of processing applications, monitoring and enforcement requirements.
Community outcome(s)	<p>A balanced and sustainable environment - Council administers alcohol licensing in accordance with Council's Local Alcohol Policy and gambling licensing in accordance with Council's Class 4 Gambling Venue Policy.</p> <p>A district of great spaces and places - Council ensures that licensing supports great spaces and places for the community to visit (social well-being)</p>
Who benefits and when?	<p>Private benefit 80% - provided to owners of licensed businesses meeting legislative requirements and be able to operate.</p> <p>Community-wide benefit 20% - provided through standards and controls applied in the areas of alcohol and gambling venue licensing.</p>
Whose acts create a need?	This activity has a strong private good aspect but the community as a whole also benefit from having standards and controls in place to protect public health and safety.
Separate funding	As much as possible, Council attempts to recover the private good aspect of this activity through fees and charges therefore separate funding is appropriate.
Funding source(s)	Operating expenditure – fees and charges 75-80%, general rate 20-25%

Capital expenditure

- Sourced from operating expenditure, reserves or loan funding.

11.30 Animal Control

Activity description	Council provides dog and stock control services to ensure the community is not endangered by uncontrolled dogs or stock.
Community outcome(s)	<i>A district of great spaces and places</i> - Council ensures that animal control supports great spaces and places for the community.
Who benefits and when?	<p>Private benefit 95% - provided to dog owners, through provision of dog control services that would not be required if there were no dogs – dog owners create the need to provide the service (exacerbator pays principle).</p> <p>Community-wide benefit 5% - provided through Council being able to respond to and deal with dog and wandering stock issues in a timely manner.</p>
Whose acts create a need?	The benefits of animal control are mainly private through providing administration and licensing services for dog owners. All ratepayers create a need through benefitting from public safety.
Separate funding	As much as possible, Council attempts to recover the private good aspect of this activity through fees and charges therefore separate funding is appropriate. A small amount is funded through the general rate to reflect those costs that are a public good.
Funding source(s)	<p>Operating expenditure – fees and charges 85-95%, general rate 5-15%</p> <ul style="list-style-type: none"> • Fees and charges include dog license fees, impounding fees and infringement fees, stock impounding fees, and sustenance fees. <p>Capital expenditure</p> <ul style="list-style-type: none"> • Sourced from operating expenditure, reserves or loan funding.

11.31 Building Regulation

Activity description	Council is an accredited building control authority, responsible for enforcing the requirements of the Building Act 2004 and NZ Building Code to ensure all buildings are structurally sound and safe for occupancy.
Community outcome(s)	<p><i>A prosperous economy based on innovation and opportunity</i> - building regulation supports the economic well-being and growth of the district.</p> <p><i>A district of great spaces and places</i> - Council ensures that building control supports great spaces and places for the community (social well-being).</p>

Who benefits and when?	<p>Private benefit 90% - provided to building owners and construction contractors through ensuring they meet legislative requirements when applying for building consents.</p> <p>Community-wide benefit 10% - provided through Council providing information regarding building regulation requirements free of charge to property owners and residents looking at building development.</p>
Whose acts create a need?	The community create a need through requiring safety and health protection of buildings over time. There is a strong private benefit evident in individuals or organisations requiring building consents.
Separate funding	As much as possible, Council attempts to recover the private good aspect of this activity through fees and charges therefore separate funding is appropriate. Some costs associated with accreditation and general advice have a public good aspect therefore it is appropriate to apply separate funding using the general rate and fees and charges.
Funding source(s)	<p>Operating expenditure – fees and charges 80-90%, general rate 10-20%</p> <p>Capital expenditure</p> <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.32 District Planning (including Land Information)

Activity description	Council plans for the future growth of the district and aims to control the actual and potential adverse effects of land use. Council maintains records of all properties in the district. Information on any property is available to the public through a Land Information Memorandum (LIM).
Community outcome(s)	<p><i>A prosperous economy based on innovation and opportunity</i> - a well-planned community is likely to be efficient and effective in delivering services. Land information supports the economic well-being and growth of the district.</p> <p><i>A district of great spaces and places</i> - the District Plan sets rules and guides Council decisions to ensure our environment is preserved. Council ensures that land information services supports great spaces and places for the community.</p>
Who benefits and when?	<p>Private benefit 80% - provided to resource consent applicants through their being able to undertake activities not provided for under the District Plan.</p> <p>Community-wide benefit 20% - provided through the environmental protection provided by the District Planning activity.</p>
Whose acts create a need?	There is a strong private good aspect in that individuals create a direct need for District Planning and Land Information services. There is also a public good aspect in that the monitoring and review of the District Plan is required.
Separate funding	As much as possible, Council attempts to recover the private good aspect of this activity through fees and charges therefore separate funding is appropriate.

Funding source(s)	<p>Operating expenditure – fees and charges 60-80%, general rate 20-40%</p> <p>Capital expenditure</p> <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding. Exception - privately requested plan changes are subject to fees and charges 100%.
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11.33 District Plan (policy and development)

Activity description	Council plans for the future growth of the district and aims to control the actual and potential adverse effects of land use. These activities are carried out primarily through the District Plan. The policy and development activity includes the District Plan and advocacy e.g. CBD revitalisation).
Community outcome(s)	<p><i>A prosperous economy based on innovation and opportunity</i> - a well-planned community is likely to be efficient and effective in delivering services (economic well-being).</p> <p><i>A district of great spaces and places</i> - the District Plan sets rules and guides Council decisions to ensure our environment is preserved (social well-being).</p>
Who benefits and when?	Community-wide benefit 100% - provided through the environmental protection provided by the District Planning activity.
Whose acts create a need?	All ratepayers create a need through benefiting from the policy and development of the District Plan.
Separate funding	This activity is funded separately to the District Planning activity as there is a strong public good aspect to policy and development function. It is appropriate to charge all ratepayers given this community-wide benefit
Funding source(s)	<p>Operating expenditure – general rate 100%</p> <p>Capital expenditure</p> <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.34 Environmental Health – Monitoring & Enforcement

Activity description	Council undertakes environmental health monitoring and enforcement functions regarding food premises, investigation of notifiable diseases, and responding to nuisance complaints.
Community outcome(s)	<i>A prosperous economy based on innovation and opportunity</i> - Council supports the local economy by ensuring that environmental health concerns are monitored and addressed.

	<i>A district of great spaces and places</i> - Council provides environmental health monitoring and enforcement to assist great spaces and places for the community.
Who benefits and when?	Community-wide benefit – is evident through the expectation that public health legislative standards of operation are being met and assurance of a safe and healthy environment.
Whose acts create a need?	All ratepayers create a need through requiring environmental health monitoring and enforcement.
Separate funding	Given the strong public good aspect, it is appropriate to charge this activity separate to Environmental Health licensing (which has a strong private good aspect).
Funding source(s)	Operating expenditure – general rate 100% Capital expenditure <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.35 Environmental Health - Licensing

Activity description	Council provides environmental health licensing to businesses and individuals to ensure compliance with legal standards.
Community outcome(s)	<i>A prosperous economy based on innovation and opportunity</i> - Council contributed to the local economy by ensuring that individuals and businesses are supported to apply for environmental health licenses as required (economic well-being). <i>A district of great spaces and places</i> - Council provides environmental health licensing to assist great spaces and places for the community (social well-being).
Who benefits and when?	Private benefit 90% - provided to individuals and businesses requiring environmental health licensing. Community-wide benefit 10% - is evident through assurance that minimum health standards have been applied to businesses.
Whose acts create a need?	Businesses and individuals requiring environmental health licenses create a need for licensing.
Separate funding	As much as possible, Council attempts to recover the private good aspect of this activity through fees and charges therefore separate funding is appropriate.
Funding source(s)	Operating expenditure – fees and charges 85-90%, general rate 10-15% Capital expenditure <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.36 Emergency Management

Activity description	Council undertakes contingency planning and readiness for natural disasters and provides emergency response and recovery services in the event of a natural disaster.
Community outcome(s)	<p><i>A prosperous economy based on innovation and opportunity</i> - Council supports the local economy by being preparing for and responding to civil defence emergencies.</p> <p><i>A district of great spaces and places</i> - Council provides Civil defence capability to contribute to a reduction in the loss of property in a civil emergency event.</p>
Who benefits and when?	<p>Community-wide benefit (people) 50% - provided through the ability for the district to recover from a civil defence emergency event.</p> <p>Community-wide benefit (property) 50% - provided to residents and businesses affected by a civil defence emergency event and their ability to recover from a civil defence emergency event.</p>
Whose acts create a need?	All ratepayers create a need through requiring emergency preparedness.
Separate funding	As the benefits are entirely for the public good, it is not appropriate to apply separate charges.
Funding source(s)	<p>Operating expenditure – UAGC 50%, general rate 50%</p> <p>Capital expenditure</p> <ul style="list-style-type: none"> Sourced from operating expenditure, reserves or loan funding.

11.37 Parking

Activity description	Council provides on and off-street car parking in the central business district of Ashburton, the commercial districts of Methven and Rakaia and suburban shopping areas throughout the district.
Community outcome(s)	<i>A prosperous economy based on innovation and opportunity</i> - parking supports the economic well-being and growth of the district.
Who benefits and when?	Private benefit 100% - provided to users of parking facilities. Business owners in areas with parking receive private benefit through the regular turnover of parking spaces allowing more customers to access shops.
Whose acts create a need?	All residents and visitors to the district create a need through requiring parking spaces.
Separate funding	Council recovers the private good aspect of this activity through fees and charges therefore separate funding is not required.
Funding source(s)	<p>Operating expenditure – fees and charges 100%</p> <ul style="list-style-type: none"> Obtained through meter fees and infringement fines.

Capital expenditure

- Sourced from operating expenditure, reserves or loan funding.

Appendix

Boundary maps for rating areas have been included as part of the Revenue and Financing Policy. These can be found on the Council website www.ashburtondc.govt.nz. The following rating areas can be found as part of this appendix to the Policy:

Area	Map	Appendix page number	Rate
District-wide	ADC General / Road / UAGC Boundary	1	UAGC
			General Rate
			Roading Rate
	ADC Rural Amenities Boundary	2	Rural Amenities Rate
	ADC Stockwater Race Services / Connected	3	Stockwater Rate
	ADC Group Water Connected / Serviceable	4	Group Water Supply Rate
Ashburton Township	Ashburton CBD Refuse Collection	5	Ashburton Refuse Collection Rate
	Ashburton CBD (Inner) Footpath Cleaning	6	Ashburton CBD (Inner) Footpath Cleaning Rate
	Ashburton Refuse Collection Boundary	7	Ashburton Refuse Collection Rate
	Ashburton Urban / Residential and Business Amenities	8	Ashburton Business Amenity Rate
			Ashburton Urban Amenity Rate
			Ashburton Residential Amenity Rate
		9	Ashburton Water Supply Rate

	Ashburton Water Supply and Wastewater Connected / Serviceable and Wastewater Pans		Ashburton Wastewater Rate (including Pans charge)
Barrhill Village	Barrhill Village Water Loan Repayment Connected	10	Barrhill Village Water Supply Rate
Chertsey	Chertsey Refuse Collection	11	Chertsey Refuse Collection Rate
	Chertsey Water Supply / Serviceable Boundary	12	Chertsey Water Supply Rate
Dromore	Dromore Water Supply Connected / Serviceable	13	Dromore Water Supply Rate
Fairton	Fairton Water Supply Connected / Serviceable	14	Fairton Water Supply Rate
	Fairton Refuse Collection	15	Fairton Refuse Collection Rate
Hakatere	Hakatere Water Supply Connected / Serviceable	16	Hakatere Water Supply Rate
Hinds	Hinds Amenity Rates Boundary	17	Hinds Amenity Rate
	Hinds Refuse Collection Boundary	18	Hinds Refuse Collection Rate (including Winslow)
	Hinds Water Supply Connected / Serviceable Boundary	19	Hinds Water Supply Rate
Lake Clearwater	Lake Clearwater Refuse Collection Boundary	20	Lake Clearwater Refuse Collection Rate
Lake Hood	Lake Hood Water Supply Connected Serviceable	3	Lake Hood Water Supply Rate
	Lake Hood Refuse Collection	22	Lake Hood Refuse Collection Rate
Lyndhurst	Lyndhurst Water Supply Loan Repayment	23	Lyndhurst Water Supply Rate
Mayfield	Mayfield Water Supply Connected / Serviceable and Refuse Collection Area	24	Mayfield Water Supply Rate
			Mayfield Refuse Collection Rate
Methven	Methven Urban / Residential & Commercial Amenities	25	Methven Urban Amenity Rate
			Methven Residential Amenity Rate
			Methven Commercial Amenity Rate
	Methven Community Board Area	26	Methven Community Board Rate
	Methven Community Pool Boundary	27	Methven Community Pool Rate

	Methven Refuse Collection	28	Methven Refuse Collection Rate
	Methven Wastewater Connected / Serviceable and Pans	29	Methven Wastewater Rate
	Methven Water Supply Connected / Serviceable	30	Methven Water Supply Rate
Methven / Springfield	Methven / Springfield Rural Agricultural Water supply Connected / Serviceable	31	Methven-Springfield Rural Agricultural Water supply Rate
Montalto	Montalto Rural Agricultural Water supply Connected	32	Montalto Rural Agricultural Water supply Rate
Mt Somers	Mt Somers Water Supply Connected / Serviceable and Waste Collection	33	Mt Somers Water Supply Rate
Rakaia	Rakaia Urban Residential & Commercial Amenities Rates Boundary	34	Rakaia Urban Amenity Rate
			Rakaia Residential Amenity Rate
			Rakaia Commercial Amenity Rate
	Rakaia Refuse Collection	35	Rakaia Refuse Collection Rate
	Rakaia Wastewater Connected Serviceable, Pans and Loan	36	Rakaia Wastewater Rate (including Pans charge)
			Rakaia Wastewater Loan Repayment Rate
	Rakaia Water Supply Connected / Serviceable	37	Rakaia Water Supply Rate
Rangitata Huts	Rangitata Huts Waste Collection Boundary	38	Rangitata Huts Refuse Collection Rate
Winslow	Winslow Refuse Collection	39	Winslow Refuse Collection Rate

Notes:

Amenity Boundaries

Boundaries for the residential and urban amenity rates have been aligned as much as possible with the Ashburton District Plan. Properties zoned Residential C have been aligned to the residential and urban amenity boundaries in Ashburton, Methven, Rakaia and Hinds, where possible.

Properties in Methven currently rated for residential amenities will continue to be charged this rate.

Water Supply and Wastewater Rating Boundaries

All properties within the boundary connected to the wastewater and/or water supply will be charged the appropriate serviced water supply and/or wastewater connected rates. Properties within the boundary that are able to be connected will be charged the appropriate serviceable water supply and/or wastewater rates. Properties that are not able to be connected will not be charged a wastewater and/or water supply rate.

Refuse Collection Rates

Properties within the appropriate rating boundaries that receive or are able to receive the service will be charged the refuse collection rate.

Stockwater Rate

Properties within the appropriate rating boundaries connected to the stockwater scheme will be charged the relevant stockwater rate.

Pans (including urinals) Charges

Commercial properties connected to the Ashburton, Methven or Rakaia wastewater schemes, that have more than three pans, will be subject to an additional pan charge (above the wastewater rate). Each additional pan will be charged 1/3 of the applicable wastewater rate.

Development & Financial Contributions Policy

1. Introduction

1.1. Background

The population of Ashburton District is growing and is expected to continue to grow in the future. Council must plan for this growth by investing in infrastructure that will enable new homes and businesses to connect to Council water and wastewater infrastructure, and provide the opportunity for new residents to use community facilities.

Development contributions enable Council to charge developers of new residential and business units a share of the cost of providing capacity to cater for growth.

This policy sets out the development contributions payable; how and when these are calculated and paid, and includes a summary of the methodology used to calculate contributions.

1.2. Policy objectives

This policy is intended to assist Council to achieve the following objectives:

- enable Council to plan for and fund infrastructure and facilities provision that meets the anticipated growth requirements of the district,
- provide predictability and certainty regarding the infrastructure required to cater for growth,
- enable a share of the costs Council incurs to provide infrastructure to cater for growth to be fairly and equitably recovered from those directly benefiting from Council infrastructure – i.e. developers,

- provide for the wider ratepayer base to contribute to funding infrastructure provision that raises service standards, and
- to promote understanding and awareness of what Council intends to fund and how this applies to a particular development.

1.3. Legislative context

Local authorities are required, under section 102 of the Local Government Act 2002, (“the Act”) to adopt funding and financial policies as part of their financial management obligations. As part of the requirements for funding and financial policies, section 102(4)(d) of the Act requires a policy on development contributions or financial contributions.

The purpose of the development contributions provisions in the Act is to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

The Act requires any development contributions policy to be prepared taking into account principles detailed in section 197AB. In summary these are:

- development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for provision of new or additional assets, or assets of increased capacity,
- development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended,
- cost allocations used to establish development contributions should be determined according to, and be proportional to, the

persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those assets,

- development contributions must be used for or towards the purpose of the activity or the group of activities for which the contributions were required, and for the benefit of the district or the part of the district that is identified in the development contributions policy in which the development contributions were required, and
- territorial authorities should make sufficient information available to demonstrate what development contributions are being used for and why they are being used.

1.4. Financial management policies

This policy has been prepared within the wider context of the Council's overall financial management policies.

This policy is consistent with the provisions of Council's Revenue and Financing Policy and provides for development contributions and financial contributions to be used as part of Council's overall approach to funding capital expenditure.

1.5. Funding to provide for growth

Development contributions and financial contributions are used by Council to fund some of the costs associated with providing infrastructure that caters for demand from growth. Council aims to take a balanced and fair approach to how it raises funding required for new developments. Other sources of funding of capital expenditure may include:

- outside sources such as New Zealand Transport Agency (NZTA) subsidies, grants, regional council or central government funding; and
- borrowing, rates, reserves and sale of assets.

2. Policy on Development Contributions

2.1 Requirement for a development contribution

Under section 198 of the Act, Council may require a development contribution to be made when:

- resource consent is granted under the Resource Management Act 1991 for a development in Ashburton District,
- building consent is granted under the Building Act 2004 for building work situated in Ashburton District,
- authorisation for a service connection is granted without a building consent being issued*, and
- a change in use of a business unit.

*An example of this is where a tap is connected to the piped water system for watering or a temporary connection to the sewer system is made. In both cases the connection can be used without a building consent but requires a development contribution to be made.

Development contributions can only be required where a development as defined by section 197 of the Act is to occur. Under section 197, development means:

- a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- b) does not include the pipes or lines of a network utility operator."

On receiving an application for subdivision consent, resource consent, building consent or service connection¹, Council will first:

- a) test that the application represents a development under section 197,
- b) determine whether alone or in combination with other developments the application under consideration will have the effect of requiring new or additional assets or assets of increased capacity and, as a consequence, the council will incur capital expenditure to provide appropriately for this, and
- c) ensure that any development contribution that may be required, is provided for in this policy.

If Council is satisfied that the application meets the legal requirements above, it will assess contributions following the process set out in the Assessment section.

2.1.1. Exceptions: For clarity, development contributions are not required for:

- an addition or alteration to a residential unit that does not result in any additional unit or units
- an addition or alteration to a non-residential unit that does not result in any additional unit or units and the development does not result in an increase in demand on the water or wastewater schemes servicing the property
- change of use for a non-residential unit that does not result in an increase in demand on the water or wastewater schemes servicing the property

¹ Service connection is defined in clause 2.6 of this policy as “service connection for an existing residential or non-residential unit, which has been added to the network as a consequence of

- a new or replacement out-building or ancillary building servicing a non-residential unit that does not result in any additional unit or units and the development does not result in an increase in demand on the water or wastewater schemes servicing the property.
- a new residential or business unit that is replacing like with like.
- a Crown development - the Crown is exempt from the provisions of this policy by virtue of section 8 of the Local Government Act 2002.

2.2 Activities

Council requires a development contribution for the following infrastructure services:

- **Drinking water** – applies to Council drinking water supplies where Council has incurred or plans to incur capital expenditure to cater for growth.
- **Wastewater** – applies to Council wastewater schemes where Council has incurred or plans to incur capital expenditure to cater for growth.
- **Community infrastructure** - applies to Council community infrastructure projects where Council has incurred or plans to incur capital expenditure to cater for growth –Ashburton Art Gallery and Heritage Centre, Ashburton Library and Civic Centre and EA Networks Centre.

Council approving an extension to the water or wastewater network”

2.3 Catchments

A catchment is the area served by the network infrastructure or community infrastructure asset where common benefits are received. The following are treated as catchments for the purposes of assessing development contributions:

- **Drinking Water** – each of the Council’s drinking water supplies is a separate catchment.
- **Wastewater** – each of the Council’s wastewater schemes is a separate catchment.
- **Community Infrastructure** – the district as a whole is treated as a single catchment.

2.4 Units of demand

Drinking Water and Wastewater

The calculation of the development contribution required for water and wastewater is based on the average demand of a single residential housing unit using the average household size of 2.5 residents (based on 2018 Census data for Ashburton District). This unit of demand is referred to as a “Household Unit Equivalent” or HUE.

Residential

Each single residential unit (regardless of size or number of occupants) is treated as being 1 HUE for assessing drinking water, and wastewater development contributions.

Non-residential

Each single non-residential unit will be assessed for the demand it is expected to place on the water and wastewater networks based on the type of business. This assessment will determine demand relative to a residential unit and a HUE derived from that assessment. The assessment uses the information in the Water Consumption Non-residential Properties table in Schedule 4 of this policy as the base line demand for various uses.

Community Infrastructure

For assessing community infrastructure development contribution each household unit is treated as being 1 HUE. Accommodation units and other forms of residential development will be assessed for the demand they are expected to place on the community infrastructure based on the type of business. This assessment will determine demand relative to a household unit and a HUE derived from that assessment.

Non-residential development attracts no HUE for community infrastructure.

2.5 Capacity credit

Where a new development is replacing an existing residential or non-residential unit the demand on infrastructure generated by the previous use will be recognised in any assessment of development contributions with units of demand from existing development deducted from the total units of demand assessed to be generated by the new development.

This credit applies to:

- a building which has been inhabited or used for the stated purpose within the last five years, or
- a building which has been used as a place of business within the last five years; or
- a vacant site from which a building meeting either of the above descriptions has been removed or demolished

A credit can be transferred from one property title to another as long as the two properties are regarded as contiguous (effectively operating as a single property) as described in section 20 of the Local Government (Rating) Act 2002.

Requests to extend a capacity credit beyond five years will be considered by Council or a standing committee with appropriate delegated authority.

2.6 Calculation of development contribution

An assessment of requirement to pay development contribution will be made at the time Council receives an application for:

- building consent for a new residential or non-residential unit;
- building consent or resource consent for an addition, alteration, or change of use for a business unit;
- Service connection for an existing residential or non-residential unit, which has been added to the network as a consequence of Council approving an extension to the water or wastewater network; or

- Service connection for a new residential or non-residential unit where the building consent for the development has been issued by a building consent authority other than the Ashburton District Building Consent Authority.

If a development meets the requirement for a development contribution detailed in section 2.1 of this policy, Council will undertake a development contribution calculation using the calculations detailed in Schedule 3 of the Policy.

2.7 Limits on Development Contributions

As part of seeking a balanced and fair approach to funding capital expenditure required to cater for growth, Council may decide to limit the level of development contributions for a particular contribution. Any such limit will be detailed in the section of the Policy regarding calculation of development contributions. Where a limit is in place the funding that would normally come from development contributions is instead funded by rates collected under Council's revenue and financing policy.

2.8 Reconsideration of requirement for development contribution

An applicant may request Council to reconsider a requirement to make a development contribution if the applicant has grounds to believe that:

- a) the development contribution was incorrectly calculated or assessed under this policy,
- b) Council incorrectly applied provisions of this policy, or
- c) the information used to assess the applicant's development, or the way Council has recorded or used information when requiring the development contribution, was incomplete or contained errors.

A request for reconsideration must be made within 10 working days after the date on which the applicant receives notice from Council (invoice) of the level of development contribution required.

A reconsideration cannot be requested if an objection under section 199C and Schedule 13A of the Act has already been lodged.

A request for reconsideration must be made in writing to the chief executive and identify the basis on which the reconsideration is sought together with, as appropriate, the legal and evidential grounds supporting the application.

Council may, within 10 working days of receiving the request for reconsideration, request further information from the requester to support the grounds stated in the reconsideration.

Council will proceed to determine the request for reconsideration if:

- a) it has, in its view, received all required information relating to the request; or
- b) the requester refuses to provide any further information requested by Council (as set out above).

In considering the request for reconsideration, Council will make its decision without convening a hearing.

In all cases, Council will give written notice of the outcome of its reconsideration to the applicant within 15 working days after:

- a) the date the application for reconsideration is received, if all required information is provided in that application; or
- b) the date the application for reconsideration is received, if the applicant refuses to provide further information; or
- c) the date the further information is received from the applicant.

An applicant requesting a reconsideration may object to the outcome of that reconsideration by lodging an objection under section 199C of the Act.

2.9 Objection to assessed amount of development contribution

An applicant may object to the assessed amount of development contribution required.

An objection may be made only on the following grounds:

- a) Council has failed to properly take into account features of the development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the district or parts of the district; or
- b) Council has required a development contribution for network infrastructure and/or community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or
- c) Council has required a development contribution in breach of section 200 of the Act; or
- d) Council has incorrectly applied its development contributions policy to the objector's development.

An objection may be lodged irrespective of whether a reconsideration of the requirement for a development contribution has been requested.

The right of objection does not apply to challenges to the content of this policy.

Schedule 13A of the Act details the procedure relating to development contribution objections.

Council may (under section 252 of the Act) recover actual and reasonable costs from an applicant lodging an objection that relate to the following costs it incurs:

- a) the selection, engagement, and employment of the development contributions commissioners; and

- b) the secretarial and administrative support of the objection process; and
- c) preparing for, organising, and holding the hearing.

2.10 Postponement of development contribution payment

Postponements may be allowed for substantial developments at the discretion of Council. A request for postponement must be made in writing to the Chief Executive stating the reasons why a postponement is sought. Requests for postponement will be considered on a case by case basis by Council or a standing committee acting under delegated authority.

2.11 Refund of development contribution

A development contribution will be refunded if:

- i. the building consent or resource consent that triggered the requirement for a development contribution lapses or is surrendered
- ii. the development does not proceed
- iii. Council does not provide infrastructure for which a development contribution was required.

An administration fee of \$150 will be charged in the case of (i) and (ii) above.

2.12 Payment of development contribution

Following assessment of the requirement for a development contribution and a calculation of applicable development contribution required an invoice will be issued at the time of:

- a building consent being uplifted

- a resource consent for a change in use deemed to result an increase in demand for service for water or wastewater services being granted
- a service connection being granted for a residential or non-residential unit, which has been added to the network as a consequence of Council approving an extension to the water or wastewater network
- a service connection being granted for a new residential or non-residential unit where the building consent for the development has been issued by a building consent authority other than the Ashburton District Building Consent Authority.

Payment is treated as any Council charge and is due by the 20th of the following month.

Non-payment of development contributions will be treated the same as other Council debt and will result in penalties, debt collection fees and court costs as applicable.

In addition, in situations of non-payment Council may take the following actions:

- Code of Compliance Certificate (section 95 of the Building Act 2004) will not be issued
- Network connections will not be completed
- Statutory Land Charge may be lodged against the property.

2.13 Development contribution for Council development

Development carried out by Council will be subject to any applicable development contribution except for any required for the same activity as the development.

2.14 Private development agreements

Council may enter into private development agreements in circumstances where there is a need to allocate responsibility between developers and Council for the construction and funding of public works associated with a development.

This policy is a funding policy for planned capital expenditure on community facilities. Private development agreements will not be used to reduce the amount of any contribution charge calculated under this policy.

Any private development agreement entered into must show how costs payable to a developer for public works will be funded.

2.15 Financial contributions

The Resource Management Act 1991 (RMA) authorises local authorities to require financial contributions from developers in certain situations.

Council's District Plan provides for developments to be assessed for financial contributions at the resource consent application stage. In particular, Council can require developers to provide cash or land for the provision of open space and recreation areas for the following purposes:

- provision of new neighbourhood parks in areas where there are existing or potential deficiencies in the provision of local parks,
- development of neighbourhood and District parks to a level at which they are usable and enjoyable for children's play, general recreation and visual amenity, and
- provision and development of neighbourhood walking and cycling linkages.

The full provisions relating to financial contribution requirements are contained in section 9 (policy 9.3C) of the Ashburton District Council District Plan.

Council cannot require a development contribution to fund an asset for which a financial contribution has been paid.

Council's District Plan is available for inspection from:

- Council's website **www.ashburtondc.govt.nz**
- Council offices, 5 Baring Square West, Ashburton.

Please note – Council will no longer be able to require financial contributions to be paid under the Resource Management Act from 18 April 2022. Government has introduced the Resource Management Amendment Bill to repeal this provision, and the Bill is part way through parliamentary process. If it does not pass into law, Council will need to review whether it introduces a development contribution for Open Spaces.

2.16 Limitations applying to requirement for development contributions

Council must not require a development contribution for a reserve, network infrastructure, or community infrastructure if:

- it has, under section 108(2)(a) of the Resource Management Act 1991, imposed a condition on a resource consent in relation to the same development for the same purpose;
- the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure;
- Council has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance; or
- a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure, or community infrastructure.

2.17 Public inspection of development contributions policy information

This policy and its supporting information is available on Council's website **www.ashburtondc.govt.nz** or on request from the Council offices.

2.18 Policy review

This policy will be adopted in conjunction with Ashburton District Council's Long-Term Plan 2021-31.

The policy must be reviewed at least every three years and may be amended at any time if required. Any review of the policy must be undertaken using a consultation process that gives effect to the requirements of section 82 of the Act.

This policy has been prepared to comply with relevant legislation including the requirements of the Local Government Act 2002 and all subsequent amendments.

Appendix 1. Definitions

Accommodation unit: means units, apartments, rooms in one or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation. Accommodation unit includes boarding houses, home stays, recreation lodges and visitor accommodation.

Act: means the Local Government Act 2002.

Activity: means a good or service provided by Council (as per section 5 of the Local Government Act 2002), and for which development contributions are collected.

Allotment: has the meaning given to it in section 218(2) of the Resource Management Act.

Authorised Officer: is an officer authorised in accordance with Council's delegations register to carry out functions under this policy.

Catchment: is a defined area of the district that receives a discrete service subject to development contributions as detailed in this policy.

Business property: a non-residential development using land or buildings for the provision of services in the course of a trade or business.

Community facilities: reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199 of the LGA

Community infrastructure: means land, or development assets on land, owned or controlled by the Council for the purpose of providing public amenities; and includes land that the Council will acquire for that purpose.

Development: means any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but does not include the pipes or lines of a network utility operator

Development agreement: is a voluntary contractual agreement made (under sections 207A to 207F of the LGA) between one or more developers and one or more territorial authorities for the provision, supply, or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in one or more districts or a part of a district.

Development contribution: a contribution—

- a) provided for in a development contribution policy of a territorial authority; and
- b) calculated in accordance with the methodology; and
- c) comprising—
 - i. money; or
 - ii. land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or
 - iii. both.

Development contribution objection: an objection lodged under clause 1 of Schedule 13A of the LGA against a requirement to make a development contribution.

Development contributions commissioner: a person appointed under section 199F of the LGA.

District Plan: means the Operative Ashburton District Plan including any proposed plan change or variation.

Household unit: is a building or part of a building capable of being used as an independent residence and includes apartments, semi-detached or detached houses, units, town houses, granny flats (or similar), and

caravans (where used as a place of residence or occupied for a period of time exceeding six months in a calendar year).

Household Unit Equivalent (HUE): is a unit of demand representing one average household unit.

Methodology: is the methodology for calculating development contributions set out in Schedule 13 of the LGA.

Network infrastructure: means the provision of roads and other transport, water, wastewater, and stormwater collection and management.

Network utility operator: has the meaning given to it by section 166 of the Resource Management Act 1991.

Non-residential development: any development that is not for residential or accommodation purposes. This includes:

- all buildings for the provision of sport, recreation or entertainment
- all buildings for the provision of social or cultural pursuits.

Objector: means a person who lodges a development contribution objection.

Residential development use of land and buildings by people for the purpose of permanent living accommodation in a household unit where the majority of occupiers intend to live at the site for a period of one month or more of continuous occupation per annum and will generally refer to the site as their home and permanent address. Residential development includes household units, elderly persons' homes, and worker accommodation.

It includes accessory buildings and leisure activities associated with needs generated principally from living on the site.

Resource consent: has the meaning given to it in section 2(1) of the Resource Management Act 1991 and includes a change to a condition of a resource consent under section 127 of that Act.

Service connection: means a physical connection to a service provided by, or on behalf of, Council.

Appendix 2. Key assumptions

The following assumptions have been used in the preparation of this policy:

Capital expenditure

Future capital expenditure costs are based on the best available knowledge at the time of preparation. These take into account known or likely construction costs and assumed inflation rates.

Population growth

Due to the delay from Statistics New Zealand with the 2018 data, Council has applied population growth forecasts developed by .id and based on the 2013 Census data. Information such as historical trends, resource consent numbers and factors that affect population change such as suburb life cycle were incorporated into the modelling for the projections.

Inflation

All project costs in the Development Contributions Policy are based on current estimates of infrastructure construction prices in 2020 dollars with

inflation of all capital costs over the period using local government cost adjusters supplied by BERL.

Cost of capital

No cost of capital (including interest) is included in the cost of providing for growth and therefore is not included in development contribution calculations. The cost of capital is carried by the relevant set of ratepayers who fund the rates for that activity under Council's revenue and financing policy.

Residential household size and household demand

Each residential unit is assumed to have the same number of residents living at the property. This is the average household size in Ashburton District from the 2018 Census – 2.5 residents (1 HUE).

Each household is assumed to place the same demand on Council infrastructure.

Appendix 3. Calculation methodology

Development contribution for residential unit for water and wastewater

1. Determine the overall growth capacity of the applicable scheme

$$\text{Maximum connections (HUEs)} - \text{current connections (HUEs)} = \text{Growth Capacity (GC) (HUEs)}$$

$$\text{GC as a ratio of maximum connections} = \text{Scheme Growth Factor (SGF \%)}$$
2. Identify capital projects (and the cost of those projects) that include a cost to provide capacity for future growth = Capital Expenditure (CE).

The projects identified will be:

- completed capital projects with identified residual growth capacity and which are not fully paid for – i.e. have an outstanding loan
 - current capital projects with identified cost component to provide growth capacity
 - planned capital projects included in the Council's Long-Term Plan with identified cost component to provide growth capacity and that will be given effect to within the next 10 years
3. Identify the proportion of CE for each project that is provided to cater for growth to get a Project Growth Factor (PGF%)
 Scheme Growth Factor (GF%) is used for completed projects and a project growth factor (PGF%) is used for current and future projects.
 The lower of the project growth factor or the scheme growth factor is used for calculations – Applied Growth Factor (AGF%).

Cost associated with component capacity over and above current scheme capacity will be recovered when the scheme capacity is increased or will be funded by the scheme as a whole.

4. Multiply capital expenditure identified in Step 2 by the Growth Factor = Net Growth Expenditure (NGE \$)
5. Divide Net Growth Expenditure (NGE) by the Excess Capacity in Household equivalents (EC) = Development Contribution to be levied per household equivalent.
 - The cost of maintaining or increasing capacity within each scheme for development growth is shared equally among the household equivalents which are able to connect to the scheme.

$$\text{CE} \times \text{GF\% EC} = \text{development contribution amount.}$$

Calculation methodology to determine non-residential development contribution for water and wastewater (HUEs)

The demand impact of a non-residential unit for both water and waste water is determined by assessed water consumption.

1. Determine water consumption per person per day based on the use of the property.

Water consumption is determined by typical water consumption based on the property uses listed in Appendix 6.

If there is no suitable property use listed in Appendix 6 on which to make a fair assessment, the developer will be requested to provide an assessment of water consumption.

If this assessment is not deemed appropriate the assessment will be determined by a Council officer with delegated authority.

2. Determine the expected maximum occupancy of the property (persons)

This assessment is based on information and design drawings submitted as part of the development approval process i.e. management plans, bed or seating plans or other such plan as agreed by Council, or where not available fire service occupancy rates may be used.

3. Determine total water consumption

Total Water Consumption (litres per day) =
water consumption per person (litres per day)
X
maximum occupancy (persons)

4. Convert to household unit equivalent (HUEs)

Demand Impact (HUEs) =
Total Water Consumption (litres per day) /
HUE consumption

Household Unit Equivalent water consumption is 550 litres per day

- Assumed water demand of 1 person = 220 litres per day
- Assumed household of 2.5 persons

Normal rounding protocols shall be applied to the result to yield a whole number.

5. Determine non-residential development contribution for applied property

Non-residential development contribution =

Demand Impact (HUEs) X Development Contribution (per HUE)

Calculation methodology to determine development contribution for community infrastructure – per HUE

The development contribution for community infrastructure is levied on all new residential and accommodation developments within the district.

Methodology

1. Determine the growth capacity of each asset to be levied that is designed to accommodate future development growth = Growth Factor (GF%).
 - District population for which the asset has been designed minus current district population = Excess Capacity (EC) in household equivalent units
2. Identify capital expenditure which has a growth component = CE.
 - Any capital expenditure which maintains Excess Capacity (EC) has a growth component equal to the Growth Factor. If the capital expenditure results in an increase in Excess Capacity then the Growth Factor will also increase proportionately.
3. Multiply capital spending identified in Step 2 by the Growth Factor = Net Growth Expenditure (NGE).
 - The growth related component of the capital expenditure in dollars is identified
4. Divide Net Growth Capital Expenditure (NGE) by the Excess Capacity in Household equivalents (EC) = Development Contribution to be levied per household equivalent

- The cost of maintaining or increasing capacity within each scheme for development growth is shared equally among the household equivalents which are able to connect to the scheme.

$$CE \times GF\% \text{ EC}$$

5. Each residential unit will be levied 1 HUE. Accommodation units will be assessed based on the maximum occupancy of the development. This assessment is based on information and design drawings submitted as part of the development approval process i.e. management plans, bed or seating plans or other such plan as agreed by Council, or where not available fire service occupancy rates may be used. Convert the maximum total occupancy to household unit equivalents.

A household is 2.5 persons. So, for example, a 16 unit motel development that has maximum total occupancy of 48 persons attracts a DC of $48/2.5 = 19.2$ HUE which rounds to the nearest full HUE i.e. 19 HUE.

Important note: The above methodology has been applied to establish the maximum development contribution for community infrastructure.

Council has decided that the community infrastructure development contribution will be capped at \$4,892 (including GST) per HUE. This limit has been introduced to ensure the level of development contributions does not inhibit development, therefore promoting the economic well-being of the district.

Appendix 4 – Development contributions by location

1. Development contributions by location

This table shows the development contributions by location under the current policy. Figures shown are inclusive of GST.

Catchment	Water (\$)	Waste Water (\$)	Community Infrastructure (\$)	Total (\$)/HUE Draft 2021/31 LTP
Ashburton *	840.00	3,637.00	4,892.00	9,369.00
Methven	2,182.00	303.00	4,892.00	7,377.00
Rakaia	0.00	107.00	4,892.00	4,999.00
Hinds	1,400.00	0.00	4,892.00	6,292.00
Fairton	1,911.00	0.00	4,892.00	6,803.00
All Other	0.00	0.00	4,892.00	4,892.00

*Ashburton includes Lake Hood

2. Schedule of assets for which a development contribution is required

Details of the community facility assets for which development contributions are required are included in Appendix 5 of this policy.

Appendix 5 – Development contribution by activity and location

Development contribution - Ashburton water supply

HUE calculation	Maximum connections	10,197	Scheme growth factor	10.12%
	Current connections	9,167		
	Growth capacity	1,032		
	(HUEs)			

Ashburton water supply development contribution calculation								
Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Cost of providing for growth (\$)	Development contribution per HUE (\$)
Recent	Internal loan	2004/20	5,726,157	22.22%	12.77%	4,994,927	731,230	708.56
Current	No growth related expenditure							0.00
Future LTP- 2021-31	Chalmers Ave water main renewal (Dobson St to River)	2022-24	228,400	15.59%	10.12%	205,286	23,114	22.40
Ashburton water supply – development contribution (excl GST)								730.95
GST								109.64
Ashburton water supply – development contribution (inc GST)								840.60

Rakaia water supply development contribution calculation								
Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Funding from development contributions (\$)	Development contribution per HUE (\$)
Recent	Loans	2004/20	0.00					0.00
Current	No growth related expenditure							0.00
Future LTP – 2021-31	No growth related expenditure							0.00
Rakaia water supply – development contribution (excl GST)								0.00
GST								0.00
Rakaia water supply – development contribution (inc GST)								0.00

Development contribution - Fairton water supply

HUE calculation	Maximum connections	84	Scheme growth factor	5.95%
	Current connections	79		
	Growth capacity	5		
	(HUEs)			

Fairton water supply development contribution calculation								
Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Funding from development contributions (\$)	Development contribution per HUE (\$)
Recent	Loans	2008/20	150,286	17.81%	5.53%	141,975	8,311	1,662.16
Current	No growth related expenditure		0.00					0.00
Future LTP – 2021-31	No growth related expenditure		0.00					0.00
Fairton water supply – development contribution (excl GST)								1,662.16
GST								249.32
Fairton water supply – development contribution (inc GST)								1,911.49

Development contribution - Methven wastewater

HUE calculation	Maximum connections	1,454	Scheme growth factor	25.65%
	Current connections	1,081		
	Growth capacity	373		
	(HUEs)			

Methven wastewater development contribution calculation								
Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Funding from development contributions (\$)	Development contribution per HUE (\$)
Recent	Loans	2005/20	271,669	29.09%	27.25%	197,639	74,030	198.47
Current			0				0	0.00
Future LTP- 2021-31	Mt Hutt College sewermain	2021/22	240,267	5.00%	5.00%	228,235	12,032	32.26
	McDonald St sewermain renewal	2022/23	141,540	5.00%	5.00%	134,463	7,077	18.97
	Cameron St rear sewermain renewal	2023/24	106,509	5.00%	5.00%	101,183	5,325	14.28
	Methven Wastewater Scheme – development contribution (excl GST)							263.98
	GST							39.60
	Methven Wastewater Scheme – development contribution (inc GST)							303.57

Development contribution – Ashburton District community infrastructure

HUE calculation	Projected population	38,619	Persons per household 2.5	Projected households	15,448
	Less current population	2		Less current households	14,312
	Growth capacity (residents)	35,779		Growth capacity (HUEs)	1,136
		3			
		2,840		District growth factor	7.35%

Ashburton District community infrastructure development contribution calculation									
Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from 3 rd parties (\$)	Funding from other ADC sources (\$)	Funding from development contributions (\$)	Development contribution per HUE (\$)
Recent	Loan - Ashburton Art Gallery and Heritage Centre	2005/20	2,473,795	11.50%	11.50%	0.00	2,189,309	284,486	250.43
	Loan - EA Networks Centre	2009/20	26,074,186	11.50%	11.50%	0.00	23,075,655	2,998,531	2,639.55
Current	Ashburton Library & Civic Centre	2019/20	873,000	14.16%	7.35%	362,976	472,537	37,487	33.00
		2020/21	6,097,000	14.16%	7.35%	2,535,011	3,300,183	261,806	230.46
Future LTP- 2021-31	Library & Civic Centre	2021/22	42,714,000	14.16%	7.35%	15,922,295	24,822,515	1,969,190	1,733.44
	Library & Civic Centre	2022/23	7,066,000	14.16%	7.35%	2,633,966	4,106,280	325,754	286.76
	Ashburton Library - Capital	2021/29	95,000	7.35%	7.35%	0	88,018	6,983	6.15
	Ashburton Museum - Capital	2021/31	201,300	7.35%	7.35%	0.00%	186,504	14,796	13.02
	EA Networks - Capital	2021/31	369,000	7.35%	7.35%	0.00%	341,879	27,122	23.87
	Uncapped Ashburton community infrastructure – development contribution (excl GST)								5,216.69
	GST								782.50

² Source: Statistics New Zealand Population Projections for 2028 (2018 Census as a base – medium population projection)

³ Source: Statistics New Zealand Population Estimates for 30 June 2020

	Uncapped Ashburton community infrastructure – development contribution (incl GST)	5,999.19
	Capped Ashburton District community infrastructure - development contribution (excl GST)	4,253.91
	GST	638.09
	Capped Ashburton District community infrastructure – development contribution (incl GST)	4,892.00

Notes:

With a cap on the amount of development contributions able to be charged set at \$4,892 (including GST) the amount of funding coming from development contributions for the projects captured is 81.54% of the full contribution, compared with 85% in the 2020 schedules.

Appendix 6. Water consumption of properties by functional use

Property use	Water consumption (Litres / Person / Day)	Property use	Water consumption (Litres / Person / Day)
Household (per person)	220	Offices, Shops or Dry Industries	
Boarding Houses / Homestays		Per staff member	40
Per bed	220	Public Toilets (incl. hand wash)	
Camping Grounds (Per guest)		Per person	20
Fully serviced	130	Restaurants/ Bars/ Cafes (per customer)	
Recreation areas	65	Dinner	30
Community Halls (Per person)		Lunch	25
With banquet facilities	30	Bar	20
Meetings	15	Rest Home (Per bed + per staff member)	
Hospitals (Per bed + per staff member)		Per bed	250
Per bed	250	Per staff member	60
Per staff member	60	Retirement Home (self-contained units)	
Lunch Bars (Per customer + per staff member)		Resident	220
With restroom facilities	25	Staff	50
Without restroom facilities	15	School (per pupil + per staff member)	
Per staff member	40	No gym, showers or cafeteria	20
Motels / Hotels		Gym, showers and cafeteria	100
Guests, resident staff	220	Boarding	250
Reception rooms	30	Shopping Centre	
Restaurant (per customer)	30	Per customer	25
Bar (per customer)	20		

Note: Typical water consumption figures based on examples contained in “On-site Wastewater Systems: Design and Management Manual”, Auckland Regional Council technical publication No.58, third edition, August 2004.

Community Engagement Policy Summary

The Community Engagement Policy aims to ensure we make well-informed decisions by having the right conversations, with the right people, about the right issues, at the right time.

The policy details the process Council takes when determining how significant a decision is, and how we will select the corresponding level of engagement. It sets out when and how the community can expect to be involved in Council decision-making.

Background

Community input into significant decisions, policies or programmes undertaken by Council is essential to ensure they reflect the goals and priorities of our communities.

The Community Engagement Policy aims to provide a framework that helps us to:

- recognise the importance of involving communities in our work,
- recognise the increasing diversity of our district and that multiple engagement methods may be required, and
- demonstrate Council's commitment to enjoy a strong appreciation of the groups that we have a good relationship with, and grow better relationships with groups we don't know so well.

Overview of the policy

The policy is broken up into seven main sections. These are summarised below.

Section one – Introduction

The introduction explains why we have the policy and what it aims to do.

Section two - Community Engagement & Consultation

Section two explains what engagement and consultation is. It aims to give you

an idea of when we will consult with the community about our decisions, and what types of engagement we might use. This section points out some of our legislative requirements, and acknowledges the different communities we have in the Ashburton District.

Section three - How will Council Engage with Mana Whenua?

Section three discusses the unique relationship that we have with Ngāi Tahu and describes our obligations under the Treaty of Waitangi. This section acknowledges Ngāi Tahu interests and the kaitiaki relationship that tangata whenua have with the natural and physical environment. This section includes English and Te Reo translations.

Section four – Significance

Section four describes what significance is, our general approach to making decisions, and how we assess the level of significance attached to an issue or proposal. This section includes our significance assessment criteria and outlines the process for using them.

Our assessment criteria are:

1. Strategic assets
2. Impact on community
3. Community interest
4. Impact on Te Rūnanga o Arowhenua
5. Financial cost
6. Levels of service
7. Overall risk

Section five – Significance and Engagement Scale

This section contains a scale that shows how the level of significance impacts what type of engagement we use. For each level of engagement, the scale explains what the engagement generally involves, when it will take place, what methods will be used, and when the community can expect to be involved.

Significance & Engagement Scale

Significance					
High significance – <i>methods 3, 4 or 5</i>					
Medium significance – <i>methods 2, 3 or 4</i>					
Low significance – <i>methods 1 or 2</i>					
Level of engagement	1. Inform	2. Comment	3. Consult	4. Involve	5. Collaborate
What does it involve?	One-way communication to provide the community with balanced, objective information to assist them in understanding problems, alternatives, opportunities and or solutions.	Informal two-way communication to obtain selected feedback on alternatives. Asking the community for information to seek ideas, opinions and information in the development process.	Formal two-way communication to obtain public feedback on analysis, alternatives and/or decisions.	A participatory process to work with the community to ensure that public concerns and aspirations are consistently understood and considered.	Working together to partner with the community in each aspect of the decision including the development of alternatives and identifying the preferred solution.
When might Council use this?	<ul style="list-style-type: none"> Annual Report Changes to policy or bylaw schedules Low significance policies Decisions to award grants funding. 	<ul style="list-style-type: none"> Development of a timing schedule for a project e.g. main street upgrade Annual Residents Survey. 	<ul style="list-style-type: none"> Long-Term Plan (LTP) Annual Plan (where there are significant changes from the LTP) New or amended bylaws High significance policies District Plan changes Open Spaces Strategy Waste minimization plan. 	<ul style="list-style-type: none"> Development of options for policy change for a significant issue Larger capital projects (e.g. new administration building) Stockwater closures. 	<ul style="list-style-type: none"> Large community focused capital project (e.g. new stadium)
How might Council engage?	<ul style="list-style-type: none"> Media release Website Brochure/flyers Public notices Communication to key stakeholders 	<ul style="list-style-type: none"> Informal meetings with affected groups Informal gatherings Telephone surveys. 	<ul style="list-style-type: none"> Formal submissions and hearings (Special Consultative Procedure, likely to incur cost) Social media Email Focus groups Phone surveys. 	<ul style="list-style-type: none"> Workshops Focus groups Interviews Targeted surveys. 	<ul style="list-style-type: none"> External working groups Open surveys Involving Mana Whenua in decision making processes.
When will the community be involved?	When a decision is made.	After the development of options but prior to the final decision by Council.	When a draft decision has been made, or 'adopted for consultation' by Council.	At the refining stage of the options.	At the development stage of the options.

SIGNIFICANT

Section six – Strategic Assets

Section six outlines what Council assets we consider to be strategic as well as the trigger for each strategic asset. A decision to transfer ownership or control of one of these assets (provided it meets the trigger) will require us to consult with the community using the Special Consultative Procedure.

Section seven – Significance Tool

Section seven contains the tool that we use in determining what the level of significance is for a decision or proposal

Strategic Assets

Activity / group of activity	Council assets	Trigger
Investments	<ul style="list-style-type: none"> Shareholding in Electricity Ashburton Shareholding in Transwaste Canterbury Ltd Shareholding in Rangitata Diversion Race Management Ltd Shareholding in Ashburton Contracting Ltd 	Transfer of any portion of Council's shareholding
Drinking Water	<ul style="list-style-type: none"> Council's water supply and reticulation networks as a whole 	Transfer or control of ownership of the networks as a whole
Wastewater	<ul style="list-style-type: none"> Council's wastewater infrastructure as a whole 	Transfer of control or ownership of wastewater infrastructure as a whole
Transportation	<ul style="list-style-type: none"> Council's road network as a whole 	Transfer or control of the road network as a whole
Open Spaces	<ul style="list-style-type: none"> Council cemeteries The land comprising the inner of Baring Square Ashburton, including the Ashburton Town Clock and the Cenotaph Reserve lands as a whole including land held under the Reserves Act 1977 and land used for parks, gardens, sports field and recreation areas 	Transfer of control or ownership
Community Services	<ul style="list-style-type: none"> Council's Elderly Persons Housing stock 	An increase or decrease of 50% or more of Elderly Persons Housing stock
Facilities	<ul style="list-style-type: none"> Ashburton Airport 	Transfer of control or ownership of Ashburton Airport

For more information

You can obtain a copy of the full policy from the Council reception, or online at ashburtondc.govt.nz/council/policy-and-bylaws.