Revenue, Financing and Rating Policies
Revenue and Financing Policy

Introduction


The purpose of this Policy is to set out how each of Council’s Activities is to be funded – that is, who pays for what, and why. The Policy outlines:

- Available funding mechanisms (e.g. rates, fees, borrowing, etc.),
- Council’s funding considerations (i.e. the decision about how each Council Activity is to be funded and the process followed to reach that decision), including
  - funding of operating costs (i.e. the funding mix Council has chosen for each Activity’s operating costs), and
  - funding of capital costs (i.e. the funding mix Council has chosen for each type of capital investment).

Note that the Revenue & Financing Policy simply sets out Council’s decision about how each Activity is to be funded, and the thinking behind that decision. The application of this Policy is set out elsewhere:

- Rates charges and definitions are set out in the Funding Impact Statement,
- Fees and charges for all Activities are set out in the Fees & Charges Schedule,
- Development Contributions are set out in the Development Contributions Policy,
- Projected dollar revenues and costs for each Activity are set out in the Activities and Services section, and for the Council as a whole in the Funding Impact Statement.

Available Funding Mechanisms

Council uses the following sources of funding.

General Rates

General rates are used to fund those services where the Council believes there is a public benefit even though it may not be to the whole community. They typically fund those activities where there is no practical method for charging individual users and the benefit is wider than just the specific user.

Council acknowledges that fixed dollar charges are regressive, in that they represent a higher percentage tax on lower-value properties than on higher-value properties. However, it is considered appropriate for all property-owners to contribute at least a minimum amount towards the funding of Council Activities; Council has therefore determined to apply a relatively low-level Uniform Annual General Charge to each Separately Used or Inhabited Part of a Rating Unit (SUUP).

Council collects the bulk of its general rates in proportion to each Rating Unit’s Capital Value. Capital Value represents the owner’s full investment in the property, and is therefore considered to provide a more equitable basis for taxation than the Land Value or Annual Value alternatives permitted under section 13 of the Local Government (Rating) Act 2002.

Council considers that the benefits of its Activities are distributed unevenly between different sectors of the community – in particular, that business properties tend to benefit relatively more and remote rural (farming & forestry) properties relatively less than residential properties. Council has therefore determined to apply Differentials to the value-based General Rate, based on the use to which the land is put:

- All properties will be charged at a Standard rate, except those that meet the criteria for Business or Remote Rural (Farming & Forestry) set out in the Funding Impact Statement,
- Business properties will be charged at a differential rate which is higher than the Standard rate, and
- Remote Rural (Farming & Forestry) properties will be charged at a differential rate which is lower than the Standard rate.

Targeted Rates

Council uses Targeted Rates where it is considered desirable and practicable either to enhance the transparency of Council spending (i.e. so that ratepayers can see how much they pay for a particular activity) or to ensure that the cost of a particular item is borne by the group(s) deemed to derive most benefit from it.

Council has determined that Targeted Rates shall be used in five areas:

(a) Water Supply Infrastructure

Council’s water supply infrastructure is considered to primarily benefit those properties which connect (or are able to connect) to the network. Targeted Rates will therefore be used to fund the activity from just those properties receiving or able to receive this benefit.

These Targeted Rates will collect the full cash operating cost of the activity plus a portion of depreciation cost. The proportion of depreciation cost recovered will normally be set to match the amount to be spent on renewing existing assets, but a different amount may be recovered if this is considered desirable to help deliver predictable and less volatile rates increases across all sectors and from year to year.
Council has identified three types of non-standard service for which it is considered desirable to recover costs through separate, user-pays based Targeted Rates:

- Properties with a fire connection will be charged a fixed dollar Water Supply Fire Connection Targeted Rate per connection.
- Properties located outside the standard serviced area but receiving a restricted rural water supply will be charged a fixed dollar Restricted Water Supply Targeted Rate per unit of supply being provided.
- Properties located within the standard serviced area which are identified as potential high consumers will be charged a volumetric Excess Water Supply Targeted Rate per cubic metre of actual water consumption in excess of that property's daily allowance.

Aside from these three exceptions, Capital Value is considered to be the most equitable basis for targeted water rates (consistent with the approach taken for General Rates). All activity costs not collected through the above three Targeted Rates for non-standard services will therefore be collected using a Capital Value based Targeted Water Rate, applied to those properties located within the standard serviced area.

Some properties located within the standard serviced area may not be actually connected (most commonly vacant sections). Council considers that the level of benefit received by these un-connected properties is lower than that received by connected properties. The Targeted Water Rate will therefore be set differentially, with connected properties being charged at a higher differential rate than un-connected properties.

(b) Other Key Water Infrastructure

Council's other key water infrastructure is for Sewerage (including collection, treatment, and disposal) and Land Drainage (including flood protection). As for Water Supply, Council considers that these activities primarily benefit those properties located within the respective serviced areas. Targeted Rates will therefore be used to fund each activity from just those properties located within each serviced area.

The Sewerage and Land Drainage Targeted Rates will collect the full cash operating cost of each activity plus a portion of depreciation cost. The proportion of depreciation cost recovered will normally be set to match the amount to be spent on renewing existing assets, but a different amount may be recovered if this is considered desirable to help deliver predictable and less volatile rates increases across all sectors and from year to year.

For both activities, Capital Value is considered to be the most equitable basis for taxation rather than Land Value or fixed dollar charges (consistent with the approach taken for General Rates). The Sewerage Targeted Rate and Land Drainage Targeted Rate will therefore be set in proportion to Capital Value, and applied to those properties located within the respective serviced area.

(c) Non-Infrastructure Council Activities

Council has determined to set Targeted Rates to fund three types of non-infrastructure activity:

- **Active Travel:**
  
  Council considers it desirable to separately fund a portion of its spending on Active Travel activities (including cycleways and pedestrian networks), so that its commitment to spend a minimum amount on this activity is transparent to ratepayers.

- **Waste Minimisation:**
  
  Council considers it desirable to separately fund the full cash operating cost of its recycling and composting activities (plus a portion of the associated depreciation), so that ratepayers can see how much they pay for yellow and green bin services.

The benefit of this activity is considered to be distributed evenly across all ratepayers, except to the extent that more remote ratepayers do not receive a kerbside collection service. The Waste Minimisation Targeted Rate will therefore be set as a fixed dollar charge per SUIP (consistent with the General Rate's Uniform Annual General Charge), but set differentially – a higher fixed dollar charge will be applied where the property is located within the kerbside collection area.

- **Business Improvement District (BID):**

  The Council's Business Improvement District (BID) Policy provides for the Council to collect a targeted rate from business units located in a BID boundary where a poll of business and property owners has provided sufficient agreement for this to happen. Such a targeted rate may be a fixed charge or a variable charge based on capital value, or a combination of both, as decided on a case-by-case basis.
(d) Council Capital Spending

Council may choose to fund an identified portion of its capital spending through a Targeted Rate, if this is considered desirable in order to demonstrate that specific revenues are being applied to identified projects, or to ensure that at least some of the cost of investment is borne by the identified beneficiaries (e.g. if a new water or sewer network is being provided to a remote community).

Council may invite Lump Sum Contributions from ratepayers affected by such capital-related Targeted Rates. However, the preference is to avoid such arrangements, as their potential equity benefits are considered to be usually outweighed by the long-term cost of administration.

(e) One-off Council Grants

Council provides several grants schemes (within its broader Community & Citizens activity), for the benefit of the community and funded by General Rates.

From time to time Council may determine that it is desirable to make a one-off grant which is either outside the scope of existing grants schemes or too large to be accommodated by existing grants budgets. In such circumstance, and subject to public consultation, such grant may be funded by a specific and temporary Grants Targeted Rate.

A Grants Targeted Rate:

- May either fund the grant directly (i.e. the grant is only advanced after the rate revenue has been received) or indirectly (i.e. the grant is advanced immediately and funded by borrowing, with the Grants Targeted Rate used to repay principal and interest on that borrowing).
- May be applied either universally or to a specifically identified group of ratepayers, depending on Council’s assessment of how the benefits of the grant are distributed.
- Will usually be set as a fixed dollar charge per SUIP, because this provides the most readily-calculation revenue stream – Capital Value or other rating basis will only be used if this is considered to generate very significant equity benefits.
- Will exist for only the number of years stated in the original public consultation, and will not be absorbed into any other rate once that period ends.

For any Grants Targeted Rate, the level of rate will be set in each Annual Plan based on the annual revenue required to fund the grant. However, the basis of the rate (for example, fixed dollar amount or value-based, universal or an identified group of ratepayers) will not be changed.

Council currently sets one Grants Targeted Rate under this Policy:

- Special Heritage (Cathedral) Targeted Rate:
  This rate relates to a $10 million Council grant (plus GST if any) supporting the restoration of the Anglican Cathedral, the benefit of which is considered to be distributed evenly to all ratepayers. The rate will be set as a fixed dollar charge per SUIP, applied to all properties across the District until 30 June 2028.

Development Contributions

Where Council is required to make capital investment in response to growth in the District (i.e. new subdivision and/or more intensive development of existing developed land), it will seek to recover a portion of the cost of this investment from those property owners undertaking such growth.

The intention of this recovery is to collect a portion of Council’s overall investment in growth-related infrastructure across the District over time; it is explicitly not intended that the amount charged in relation to an individual development will be used to fund Council infrastructure related to that development.

Grants & Subsidies

Some Council Activities qualify for a grant or subsidy from the Crown – most importantly from the New Zealand Transport Agency (NZTA) for qualifying roading expenditure, but also from the NZ Fire Service, Creative NZ, and other entities. These are used as the initial source of funding where they’re available.

Fees & Charges

Council typically collects fees and charges where an Activity is perceived to provide benefit primarily to identifiable individuals or groups (i.e. user-pays), or where the need for the Activity is driven by the actions or inactions of identifiable individuals or groups (i.e. exacerbator-pays).

However, consideration is also given to whether each fee or charge is economically viable (including whether full cost recovery may result in an unacceptable decrease in the use of Council services), and whether such charging may undermine one of Council’s identified core Community Outcomes (see “Council’s Funding Considerations” below).

Borrowing

Other than for the routine renewal of infrastructure (which is expected to occur more or less consistently each year and is funded from rates), borrowing is undertaken to fund spending where the benefit is perceived to endure for multiple years – for example, capital investment undertaken for service improvements, growth (prior to the collection of Development Contributions).

Borrowing is undertaken at a corporate level (i.e. as a single debt portfolio), for reasons of efficient debt management. However, interest costs are allocated to individual Council Activities for budgeting and
funding purposes, in proportion to the amount of depreciation generated by that Activity.

Proceeds from asset sales

Proceeds from asset sales will be used to reduce debt or fund capital investment relating to new assets or earthquake recovery.

Interest, Dividends, & Other Revenues

Council's principal investment revenues are the dividends received from its commercial subsidiaries (most importantly Christchurch City Holdings Ltd). Cash investments are generally only held for liquidity purposes, as Council is a net borrower.

Income from dividends, interest, and other sources not described above (e.g. petrol taxes) are collectively treated as corporate revenues and are assumed to accrue to general ratepayers – i.e. they are not allocated against specific Activities, but reduce the amount of general rates that Council needs to collect to fund those Activities.

Council's Funding Considerations

Council's decision about which funding mechanism(s) to use to fund each Activity is guided by the following considerations:

- **Community Outcomes** (i.e. what the Activity is trying to achieve) – the source of funding for each Activity is decided after considering the Community Outcome(s) to which it contributes. Council has identified four core Community Outcomes, details of which are provided elsewhere in the Long Term Plan:
  - Liveable City (including housing, transport, and urban design)
  - Strong Communities (including public safety, recreation, heritage, and community participation)
  - Healthy Environment (including water quality, sustainable use of resources, and biodiversity protection)
  - Prosperous Economy (developing a strong business and economic base)

- **User-pays** (i.e. how the benefits of an Activity are distributed) – where the primary benefit from a Council Activity is provided to an identifiable group, it is preferable for that group to bear the principal cost of the Activity.

- **Exacerbator-pays** (i.e. where the Activity is required due to the activities or inactions of identifiable groups) – it is preferable for such costs to be paid for by those groups contributing to the need for the Activity.

- **Inter-generational equity** (i.e. the period over which the benefits of an Activity occur) – most operational expenditure provides a benefit only during the year that it is spent, so is best funded from current revenues; however, capital investments usually provide benefits over many years, and are more appropriately funded through borrowing (which is repaid over multiple years).

- **Potential for distinct funding sources** – it may improve the transparency and accountability of Council spending on any particular Activity if its funding is sourced independently of other Activities (e.g. through specific user-charges or a targeted rate), particularly where the cost is significant (such as water infrastructure) or where it is considered desirable to demonstrate that funding is being spent on a specific project or set of projects (such as cycle-ways). The potential benefit of such improved transparency and accountability are weighed against the cost of having to administer the separate funding stream.

Council's choice of funding for each Activity is also guided by the overall impact that any allocation of charges and costs may have on the Community. In particular, although some Activities should arguably be funded by user fees and charges due to the level of private benefit they provide, Council may consider such user-charging inappropriate – for example, full user-funding of libraries and swimming pools may result in these services no longer being provided, and also conflicts with Council's identified “Strong Community” Community Outcome.
Council has therefore determined that the following Activities will receive a material amount of funding from General Rates:

- Roads & Footpaths
- Parks, Heritage & Coastal Environment
- Community & Citizens
- Refuse Disposal
- Governance
- Strategic Planning & Policy

**Funding of Operating Costs**

Where an Activity is paid for through a number of funding mechanisms, Council’s practice is to meet its operating costs in the first instance from fees & charges and grants & subsidies (subject to the considerations outlined above). If the Activity requires further operational funding, this remainder is funded through rates.

The following pages set out Council’s operational funding decision for each Activity, using three tables:

- **Table 1, Community Outcome** – this table identifies the Community Outcomes to which the Activity primarily contributes, on a simple yes / no scale (it is acknowledged that some Activities contribute to more outcomes than those shown).
- **Table 2, Funding Principles** – this table shows how the Council has considered other funding considerations in relation to the Activity, using a simple high / medium / low scale:
  - User-pays – the degree to which the Activity can be attributed to individuals or identifiable groups rather than the community as a whole;
  - Exacerbator-pays – the degree to which the Activity is required as a result of the action (or inaction) of individuals or identifiable groups;
  - Inter-generational equity – the degree to which benefits can be attributed to future periods; and
  - Separate funding – the degree to which the costs and benefits justify separate funding for the Activity.
- **Table 3, Funding Decision** – this table shows Council’s broad funding target for the Activity (i.e. how much is paid for by individuals / groups, and how much by the community as a whole), and the associated funding mechanism used (i.e. general rates, targeted rates, user charges, etc.). As the precise balance between individual / group and community funding may vary in practice (particularly for volumetric fees and charges), the funding target is expressed in broad terms rather than specific percentages:
  - Low = this source provides 0%-25% of the funding for this Activity;
  - Medium = this source provides 25%-75% of the funding for this Activity; and
  - High = this source provides 75%-100% of the funding for this Activity.

The specific revenue and cost projections for the current planning period are shown in the individual Funding Impact Statements by group of activity.
Water Supply

Local authorities have an obligation under the Public Health Act 1956, the Health (Drinking Water) Act 2007, and the Local Government Act 2002 to provide a drinking water supply to the urban areas of the District, to maintain its capacity, to protect it from contamination, and to ensure that it complies with the Drinking Water Standards for New Zealand 2005 (as revised in 2008).

Local Authorities also ensure an adequate supply of water for commercial use and for fire-fighting.

This Activity includes maintaining the network, including wells, pump stations, treatment facilities, reservoirs, and underground reticulation pipes and meters. The Activity also encourages water conservation.

The benefit of this Activity is considered to accrue primarily to those properties located the Council’s geographic network area – that is all of those properties that can physically connect to the network. It is therefore considered appropriate to fund the bulk of this Activity from a Targeted Rate applied to all properties located within this serviced area.

However, as the level of supply provided to some properties may differ from the standard supply provided to most it is considered appropriate to charge separate Targeted Rates for:

- **Restricted Rural Supply** – where a city-fringe property is unable to connect to a standard on-demand service but can be connected to a restricted supply (defined as a standard volume of water provided per day);
- **Fire connection** – where a property benefits from a dedicated fire connection; and
- **Excess water consumption** – for identified high-user properties, the volume of water actually consumed above a threshold determined by the amount of standard Water Supply Targeted Rate paid.

Table 1: Community Outcome

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Table 2: Funding Principles

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Wastewater

Christchurch City Council builds, owns, operates and maintains wastewater networks and wastewater treatment plants to protect public health and the environment. The service is focused on providing a reliable, safe and resilient system for conveying wastewater away from properties, for treatment and disposal.

Wastewater, also known as sewage, refers to the used water collected in internal drains from homes and businesses, and includes trade waste from industrial and commercial operations. Wastewater does not include stormwater drainage, which is collected, treated and re-introduced into the environment via a separate system.

Providing a wastewater collection, treatment and disposal service is core business for the Council, required by the Local Government Act 2002 and the Health Act 1956.

Council implements these services for the community in a number of ways, this includes planning, day to day operations, planned and reactive maintenance, repair or renewal of damaged infrastructure, building new infrastructure and implementing improvements to the system.

Key deliverables are to:
- Collect, convey and treat wastewater in a safe, efficient and reliable manner;
- Discharge treated wastewater to the environment in compliance with resource consents;
- Reuse and/or dispose of wastewater treatment by-products, including biogas and bio-solids;
- Provide laboratory services to monitor treatment processes and treated wastewater quality; and
- Plan, regulate, build, maintain, manage and renew wastewater systems.

The Council collects wastewater from approximately 160,000 customers in Christchurch, Lyttelton, Diamond Harbour, Governors Bay, Akaroa, Duvauchelle, Tikao Bay and Wainui, through 945 km of laterals, 1,826 km of wastewater mains, 149 pump stations, 84 lift stations, and 34 odour control sites. It provides treatment at eight wastewater treatment plants and disposal via one outfall pump station, six ocean/harbour outfalls and two land irrigation schemes. The wastewater reticulation and treatment infrastructure is monitored and controlled by an extensive communications system.

Although all residents benefit from the presence of a safe and reliable sewer network, the primary benefit accrues to those properties which are located within the Council's geographic network area – that is, all those properties that can physically connect to the network.

It is therefore considered appropriate to fund the bulk of this Activity from a Targeted Rate applied to all properties located within this serviced area.

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Stormwater Drainage

This Activity collects and conveys stormwater, and complements Council’s Flood Protection & Control Works Activity to protect the community from the harmful effects of flooding.

The key physical assets used to deliver this activity are:

- The underground conveyance networks (including pipes, manholes, sumps, inlets and outlets);
- Open channels and overland flow path (including natural waterways such as rivers, streams and creeks, constructed drainage channels, in-channel structures, lining and retaining walls); and
- Treatment devices that are not within the Flood Protection and Control Works Activity (for example where there is no flood protection component such as silt traps, gross debris traps or proprietary treatments devices, such as the cartridge filters proposed at the new Bells Creek Pump Station site).

Council uses a multi-value approach to stormwater, where the drainage value of the network is considered alongside other values such as ecology, culture, recreation, heritage and landscape. Together these are known as the ‘six values’ that Council utilises in stormwater drainage and waterway management.

In delivering this service the Council provides a balanced mix of maintenance and renewals to preserve the levels of service and improve stormwater discharge quality to address waterway degradation.

The benefit of this Activity is considered to accrue mostly to those properties located within the Council’s drainage and storm-water infrastructure networks. It is therefore considered appropriate to fund this Activity and the Flood Protections & Control Works Activity together using a Targeted Rate.

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Flood Protection & Control Works

This Activity delivers floodplain and stormwater management plan objectives to reduce the harm from flooding to the community and to improve the quality of ground and surface water. It complements Council’s Stormwater Drainage Activity.

The activity includes construction of new flood protection infrastructure and management of existing infrastructure including:

- pump stations and water flow control devices and structures such as valve stations;
- stop-banks;
- water quality treatment devices such as basins, wetlands, tree pits, raingardens and filtration devices; and
- hydrometric monitoring devices, measuring rainfall along with surface water, sea and groundwater levels.

Basins and wetlands serve a dual purpose of providing stormwater detention for reducing flood risk as well as providing water quality treatment.

Approximately half of this activity is delivered through the Land Drainage Recovery Programme (LDRP) and the majority of the remainder relates to construction of community facilities to improve water quality and service growth.

The benefit of this Activity is considered to accrue mostly to those properties located within the Council’s drainage and storm-water infrastructure networks. It is therefore considered appropriate to fund this Activity and the Stormwater Drainage Activity together using a Targeted Rate.

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Roads & Footpaths

Local government is responsible for planning for, providing, and maintaining safe road networks, including pedestrian linkages and attractive functional streetscapes. The Council maintains the assets that provide the District’s local roading network, comprising the carriageways, footpaths, bridges, retaining walls, rail crossings, and associated drainage.

National highways linking the Christchurch District with the rest of the country are managed by central government through NZTA and work between the national and local roading networks is co-ordinated as much as possible.

The streets we manage provide a safe and efficient network that connect communities and facilitate the movement of people and goods around the District and to the adjoining region. Key deliverables include:

- Network planning;
- Asset maintenance;
- Renewal of life-expired infrastructure; and
- Improvements to the network.

The benefit of this Activity is considered to accrue primarily to road users. However, it is not considered practicable or desirable to fund the Activity separately, because the roading network is considered to be qualitatively different to the water and sewer networks which are funded through targeted rates: – in particular:

- The roading network also delivers benefits to non-users, to a far greater extent than water or sewer networks, reducing the desirability of a “User-Pays” funding approach (User Pays is given a “Medium” priority in Table 2).
- The extent of “use” (and therefore the extent of liability to be paid) is more difficult to determine than for water and sewer (for which benefit is more clearly binary between those that can connect and those that can’t).

This Activity is therefore primarily funded by the community as a whole, mostly through General Rates (note, for the purpose of this Financial Impact Statement, NZTA grants are treated as “Community-sourced”, as they are paid by central government rather than individuals or groups within the District).

The Active Travel Targeted Rate contributes to this Activity’s spending on pedestrian networks. This is classified as “Community funding” in Table 3, as the Active Travel rate is applied universally to all rating units in the district.

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Transportation
This Activity relates to how the roading network and associated infrastructure is used and controlled, so that people have safe, easy, and reliable access to homes, shops, businesses, and leisure activities, from a variety of mode choices.

It is considered helpful to separate this control function from the basic function of asset provision and maintenance, which is the purpose of the Roads & Footpaths Activity.

This Activity includes:
- Control over how the road corridor can be used by other parties (such as service authorities and developers);
- Planning, building, and maintaining the infrastructure required to support the operation of the bus network;
- Planning, building, operating, and maintaining the major cycleways network;
- Operating and maintaining traffic lights, traffic cameras, and traveller information portals;
- Operating and maintaining Christchurch’s public parking facilities; and
- Planning and providing transport education initiatives.

Funding considerations for this Activity are similar to those for Roads & Footpaths. However, Council considers that a higher level of separate funding is both practical and desirable in certain areas:
- Greater use of Fees & Charges is appropriate where the Council’s control function provides permission to specific users for certain actions (such as use of the road corridor or marine activities); and
- The use of a Targeted Rate for Active Travel provides a transparent commitment that a certain minimum level of operational spending will be incurred on cycleways (although this is still classified as “Community funding” in Table 3 because it is applied universally to all rating units in the District).

The overall funding balance for this Activity therefore places more reliance on user charges and less reliance on General Rates compared with the Roads & Footpaths Activity.

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<td>• Targeted Rates (Low)</td>
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<td>• Grants &amp; Other (Medium)</td>
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</table>
Parks, Heritage & Coastal Environment

Christchurch residents have a strong affinity with their parks, reserves, and open spaces. Council wishes to support this affinity, and maintain the notion of Christchurch as the "garden city".

This Activity involves the management of:

- **Parks** – The council manages 1,114 parks and reserves, covering nearly 9,000 hectares in Christchurch city and Banks Peninsula. Neighbourhood parks provide space and facilities for local communities; Garden & heritage parks provide botanical diversity and contribute to plant conservation and research; Regional parks protect the region's natural landscape and biodiversity values, while accommodating extensive outdoor recreation. Significant parks such as Hagley Park, the Botanic Gardens, and Mona Vale also contribute to the economic well-being of the district by attracting visitors.

- **Cemeteries** – The Council administers burials and plot purchases as well as maintaining current and closed cemeteries.

- **Heritage protection** – The Council aims to preserve the district's built, natural and cultural heritage for the benefit of the current and future communities.

- **Harbours & marine structures** – The Council provides marine structures (including wharves & jetties, slipways & ramps, seawalls, recreational rafts, boat moorings, and wharf buildings), to facilitate access to the marine environment for residents, visitors and commercial operators for recreation, sport, tourism, commercial activities, and transport.

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate to fund it primarily from General rates.

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</table>

- **Fees & Charges (Low)**
- **General Rates (High)**
- **Grants & Other (Low)**
Refuse Disposal

The Council collects and disposes of some of the district’s solid waste, and works with the community encouraging both residents and businesses to recycle their waste thereby reducing the volume of waste sent to the landfill.

This Activity includes:

- **Recycling** – reducing the amount of waste sent to landfill by collecting recyclable material from households and public places, advising the public of recycling options (for example, EcoDrops and register of recyclers), and by sorting and processing recyclable material.

- **Organics / composting** – collection of kitchen and garden waste from households and converting this into compost for resale. The Council encourages home composting and worm farms.

- **Residual Waste** – not everything can be recycled, the waste remaining is collected and transported to landfill.

- **Closed landfill** – monitoring the closed landfills around the District. This includes the capping and aftercare of the old Burwood landfill, where methane gas is captured, piped underground, and used to power some city buildings and parts of the Christchurch Waste Water Treatment Plant.

- **Earthquake construction waste** – facilitating the sorting, re-use, and safe disposal of the Canterbury Earthquake construction and demolition waste.

- **Education** – educating residents to make informed decisions on the best waste practices, focusing on the best environmental and social outcomes. The Council works with other councils on the “love food, hate waste” campaign, with regular workshops informing communities how to minimise the food waste generated by households.

Kerbside collection of general and recycling waste is provided to most properties across the district – other properties may deposit their waste at collections points.

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate to fund the bulk of costs from rates, supported by fees and charges for non-household and excess waste.

It is also considered desirable to make the cost of recycling and composting activity more transparent, so that ratepayers can see how much they are paying for these services. The operating cost of yellow and green wheelie bin services is therefore funded from a Targeted Rate.

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<th>Table 1: Community Outcome</th>
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<td>Liveable City</td>
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<td>User-Pays</td>
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<td>Funding Target</td>
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</table>
Community & Citizens

Local Government is responsible for promoting the cultural and social well-being of communities, and for educating the public in regard to civil defence.

This Activity supports strong communities by providing high quality library, sports & recreation, arts & cultural, community development, and emergency management services.

This Activity provides:

- opportunities for people to express themselves and be challenged by art, music, theatre, dance and other media and to understand and celebrate their many identities and heritage;
- libraries which act as a vehicle for access to knowledge, ideas and information and as a democratic service open and available to anyone;
- encouragement to be more active more often through the provision of a range of sport and recreation facilities and programmes;
- community centres, halls and houses to encourage participation in local activities and build a sense of community; and
- information and advice to help citizens and communities, including support to community organisations to help them deliver the valuable services they provide.

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate for it to be funded primarily from General Rates.

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<tr>
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<td>• Grants &amp; Other (Low)</td>
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</table>
Housing

Council wishes to support vulnerable groups in the District's community by providing social housing targeted towards the elderly, disabled, and those on low incomes.

This Activity involves asset management, maintenance, replacement, intensification, and a partnership programme that supports the provision of affordable accommodation to people on low incomes. The Council works collaboratively with central government to address housing supply and affordability issues, through the Christchurch Housing Accord agreement.

Most of the social housing units are studio and one-bedroom units, with a small percentage of two, three, and four bedroom units. These Council-owned social housing complexes are leased to the Otautahi Community Housing Trust, a Community Housing Provider, which then sub-lets these to those in need.

The Council’s involvement in this Activity is intended to contribute to social well-being by ensuring that an adequate supply of safe, accessible, and affordable social housing is available to those in need.

The benefit of this Activity is considered to accrue mostly to the social housing tenants. It is therefore considered appropriate to fund the Activity mostly from user charges – housing rentals plus available grants income are intended to be sufficient to cover operating costs without subsidy from rates or other sources.

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Regulatory & Compliance

Regulation and compliance services are needed to administer the laws that govern building and development work, the health and safety of licensed activities, and the keeping of dogs. The Council enforces compliance with regulations, monitors individual licences and approvals, investigates complaints and non-compliance, and assesses the potential effects of various activities while still enabling builders, developers and property owners to carry on their business.

Key outputs of this Activity are:

- Animal Management;
- Compliance services relating to Resource Management Act (District Plan), Building Act, Local Government Act, Litter Act, and local Council Bylaws;
- Alcohol Licensing;
- Food Safety and Health Licensing; and
- Environmental Health, including noise management, environmental nuisance and environmental health risks e.g. asbestos and land contamination.

The benefit of this Activity is considered to be mixed:

- Licences & consents – costs are mainly caused by applicants and holders whose activities, if unregulated, could cause nuisance to the public or pose a threat to the safety or health of the community; however, the community benefits from the control of such potential nuisances and threats.
- Building services – costs are mainly caused by applicants, but there is a wider community benefit in having a consented building stock.

In addition, it is acknowledged that full cost recovery through user charges would increase those user charges to a point where full compliance may be discouraged. On balance, it is considered appropriate to adopt user charges as the largest single source of funding for this Activity, but to also provide material levels of funding from general rates and other sources.

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</table>
Strategic Planning & Policy

Strategic planning and policy is fundamental to the workings of local government – in particular, meeting community needs for good quality local infrastructure, local services, and performance of regulatory functions.

This Activity provides strategic policy, city planning and urban regeneration services for the Council and its communities. We support the recovery and ongoing evolution of a resilient city that is better able to adapt to future challenges and take advantage of new opportunities.

Key areas include to:

- Provide specialised policy and strategy advice to enable the Council to plan effectively for the future.
- Develop, maintain and monitor the Christchurch District Plan which enables the Council to manage land use, subdivision and development.
- Respond to and prepare regeneration plans and strategies in accordance with the Greater Christchurch Regeneration Act.
- Lead policy and strategy for transport to ensure people and businesses can easily move around the city.
- Work with the community to enable their aspirations for quality places and neighbourhoods.
- Ensure that natural resources are used efficiently and sustainably to meet the needs of today and those of future generations.
- Understand natural hazard risks to be better prepared for future challenges.
- Work collaboratively with strategic partners at a Greater Christchurch, regional and national level.

The benefit of this Activity is considered to accrue to the whole community. It is therefore considered appropriate to source funding mostly from General Rates.

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[n/a – good planning and policy provides a foundation for other Activities]

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* The ten-year special heritage (Cathedral) targeted rate is included in this activity.
Governance

Christchurch City Council is the second largest territorial local authority (TLA) in New Zealand. The Council is committed to participatory democracy for all residents, and actively encourages residents to participate in making deputations to Council and Community Boards, participating in hearings and engaging with Councillors and Community Board members. As a large TLA with a strong commitment to an active local democracy its effectiveness is dependent upon efficient and effective processes to support effective governance and good decision making.

In direct support of governance and decision making this activity provides the following services:

- Secretariat services, information, support for Council decision-making processes at governance-level meetings and hearings and to Elected Members of the Council and Community Boards
- Holding elections of Elected Members to the Council and Community Boards, polls and representation reviews

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate for it to be funded primarily from General Rates.

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Funding of Capital Costs

The term "Capital Cost" includes a range of relatively long-term investment spending:

- Equity investment in Council-controlled organisations (most importantly, Christchurch City Holdings Ltd., which owns the city’s shares in the airport, port company, electricity lines company, and others);
- Network and community assets (the broadest category, including water and sewage networks, libraries, community halls, and social housing, and including strategic assets purchased in advance of need – for example, a drainage basin purchased to support anticipated future development); and
- Other assets (such as general plant and equipment).

Having considered the factors in section 101(3) of the Local Government Act 2002, the Council considers that capital investment in any particular Council Activity contributes to the same Community Outcomes as the operating costs of that Activity (per tables above), and will tend to have the same distribution of benefits across the community. However, most capital investments are long-term in nature, so inter-generational equity is a far more important driver of Council’s capital funding decision than it is for operational funding.

Council has therefore determined that capital costs will be funded in accordance with the following principles:

- Investment in assets of a commercial or revenue-generating nature should be funded by borrowing, and be either self-funding or expected to deliver a net benefit to ratepayers in the long-term – any difference between investment income and funding costs in individual years will be allocated to or supported by general rates.
- Non-commercial capital investments will be funded in the first instance from borrowing, offset where appropriate by NZTA grants and asset sales. Where the spending is to provide new assets to service growth (new subdivisions and/or more intensive development of developed land), the growth component is funded from Development Contributions.
- Capital renewals – where capital spending is expected to be relatively consistent from year to year (in particular, the renewal or replacement of existing infrastructure assets as they approach the end of their economic lives), the required funding is from rates.
- Earthquake repairs are funded from insurance proceeds, Crown contributions, asset sales, rates, and borrowing.

The application of these principles to individual Activities is tabulated below. The High / Medium / Low scale is the same as applied to the operational tables above. The specific capital spending and funding projections for the current planning period are shown in the individual Funding Impact Statements by group of activity.

Table: Council’s Capital Funding Policy, by Investment Type

<table>
<thead>
<tr>
<th>Investment type</th>
<th>Initial funding</th>
<th>Serviced and/or repaid by:</th>
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</thead>
<tbody>
<tr>
<td>Equity investment in CCOs / CCTOs</td>
<td>Debt (interest only)</td>
<td>Dividends and Rates,</td>
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<tr>
<td>Network &amp; Community assets:</td>
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<tr>
<td>Renewal / replacement</td>
<td>Rates and debt</td>
<td>Rates</td>
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<tr>
<td>Service Improvement</td>
<td>Debt</td>
<td>Rates</td>
</tr>
<tr>
<td>Earthquake repairs</td>
<td>Insurance proceeds,</td>
<td>Debt and Rates</td>
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<td></td>
<td>Crown contributions,</td>
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<td>asset sales, rates,</td>
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<td></td>
<td>debt</td>
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<td>Debt and Development</td>
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<td></td>
<td>Contributions</td>
<td>Contributions</td>
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<tr>
<td>Other assets</td>
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<td>Rates</td>
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### Table: Council’s Capital Funding Policy, by Activity

<table>
<thead>
<tr>
<th>Activity</th>
<th>Rates</th>
<th>Borrowing</th>
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<th>Grants &amp; Other</th>
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<tr>
<td>Stormwater Drainage</td>
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<tr>
<td>Flood Protection &amp; Control Works</td>
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<td>High</td>
<td>Low</td>
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<tr>
<td>Roads &amp; Footpaths</td>
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<tr>
<td>Transportation</td>
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<td>Medium</td>
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<td>Housing</td>
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* Housing Activity note:

The Council may consider providing capital funding (loans) to the Otautahi Community Housing Trust or similar organisation for the purpose of acquiring or developing additional community housing. Any such lending:

- Will be approved by Council Resolution on a case by case basis;
- Will only be approved if it is considered to be financially prudent and consistent with Council’s community housing objectives;
- Will be funded initially by Council borrowing; and
- Will be serviced (principal plus interest) by the community housing provider’s rental income – that is, there will be no subsidy from Rates.

No such arrangements have been approved to date, so the above table does not include Borrowing as a source of capital funding for the Housing Activity.
Rates Remission Policy

Objective of the policy
To provide rates relief in certain situations, to support either the fairness and equity of the rating system or the overall wellbeing of the community.

Remission 1: Not-for-profit community-based organisations

Objective
Certain types of land use are classified as “non-rateable” under Section 8 of the Local Government (Rating) Act 2002, including schools, churches, and land used for some conservation or recreational purposes. Such land may be either fully or 50% “non-rateable”, although any rates specifically for the purpose of water supply, sewage, and refuse collection must still be charged.

The objective of this remission is to provide rates relief to community-based organisations (including some that may be classified as non-rateable under section 8), to support the benefit they provide to the wellbeing of the Christchurch district.

Conditions and criteria
For not-for-profit community-based organisations which the Council considers deliver a predominant community benefit:

- Where the organisation occupies Council land under lease, up to 100% remission of all rates (except targeted rates for excess water and waste minimisation).
- Where the organisation occupies other land:
  - Up to 100% remission on general rates (including the uniform annual general charge).
  - Up to 50% remission (of the rates that would be payable if they were fully rateable) on targeted rates for standard water supply, sewerage, and land drainage.

Applications for this remission must be in writing. The extent of remission (if any) shall be determined at the absolute discretion of the Council, and may be phased in over several years.

The Council reserves the right to require annual applications to renew the remission, or to require certification from the applicant that the property is still eligible for the remission. Any residual rates payable must be paid in full for the remission to continue.

Remission applies to
Any community-based not-for-profit organisation whose activities, in the opinion of the Council, provide significant public good as a result of its occupation of the property.

The remission is not available to property owned or used by chartered clubs, political parties, trade unions (and associated entities), dog or horse racing clubs, or any other entity where the benefits are restricted to a class or group of persons and not to the public generally.

Any remission will only apply to the portion of the property used for the purpose for which the remission is granted.

Remission 2: Land occupied and used by the Council for community benefit

Objective
To support facilities providing benefit to the community, by remitting rates.

Conditions and criteria
The Council may remit all rates (other than targeted rates for excess water supply and water supply fire connection) on land owned by or used by the Council and which is used for:

- Those activities listed in section 4 of the Local Government (Rating) Act 2002 Schedule 1 (including parks, libraries, halls, and similar),
- Rental housing provided within the Council’s Social Housing activity, and
- Any other community benefit use (excluding infrastructural asset rating units).
Remission 3: Rates - Late payment penalties

Objective
Council charges penalties for late payment of rates, in accordance with sections 57 & 58 of the Local Government (Rating) Act 2002.

The objective of this remission is to enable such penalties to be waived where it is fair and equitable to do so, and to encourage ratepayers to clear arrears and keep their payments up to date.

Conditions and criteria
Council will consider remitting late payment penalties in the following three circumstances:

- **One-off ratepayer error** (including timing differences arising from payments via regular bank transactions).
  - This may only be applied once in any two-year period.
  - Only penalties applied within the past twelve months may be remitted.
  - Applications must state the reason for late payment, and deliberate non-payment will not qualify for remission.
  - Applications must generally be in writing, although staff may waive this requirement if they are satisfied that the full details of the application are recorded.

- **Inability to pay** (including sickness, death, financial hardship, or other circumstances where it is considered fair and equitable for the remission to be applied):
  - Penalties imposed in the last two-year period may be remitted, where this would facilitate immediate payment of all outstanding rates (remission of penalties over a longer time period may be considered, if the amount of arrears is large).
  - Where an acceptable arrangement to pay arrears and future rates over an agreed time period is to be implemented, then any penalties that would otherwise have been imposed over this time period may be remitted.
  - Applications must generally be in writing, although staff may waive this requirement if they are satisfied that the full details of the application are recorded.

- **Full year payment** (i.e. where the ratepayer pays the financial year’s rates in full, rather than in instalments):
  - Late penalties on the current year’s Instalment 1 rates invoice will be remitted if current-year rates are paid in full by the due date for Instalment 2.

Remission applies to
Remission of late rates payments may be applied as follows:

- One-off error – to all rating units
- Inability to pay – only to properties which are the primary private residence owned and occupied by the applicant
- Full-year payment – to all rating units

Remission 4: Contiguous parcels of land

Objective
Council charges a Uniform Annual General Charge (UAGC) as part of its general rates.

The objective of this remission is to waive the UAGC where doing so supports the purpose of the UAGC as set out in Council’s Rating Policy.

Conditions and criteria
Council will consider remitting the UAGC rate where:

- Parcels of land under different ownership are contiguous (i.e. sharing a boundary and in common usage, such that they should reasonably be treated as a single unit); OR
- It has been determined that a building consent will not be issued for the primary use of the land under the City Plan.

Remission applies to
All rating units.
**Remission 5: Residential pressure wastewater system electricity costs**

**Objective**
Following the 2010 and 2011 earthquakes, some gravity-fed wastewater disposal systems are being replaced by low pressure pump systems. This generally requires the pump to be connected to the electricity supply of the particular house that it serves.

The objective of this remission is to compensate affected homeowners for the additional electricity cost an average household has to pay to operate the new system.

**Conditions and criteria**
Affected ratepayers will receive a general rates remission equal to an amount determined by Council each year. The Council will make an effort to match this amount to the estimated annual electricity supply charges likely to be paid that year to operate the system.

The remission reflects the estimated annual cost for an average household and therefore only provides general compensation, not compensation reflecting the exact amount of the electricity charge actually paid by the homeowner.

Council’s expectation is that where tenants pay for electricity, landlords will pass on the benefit of the remission to their tenants.

Any change to this remission policy must be the subject of consultation with affected residents prior to any decision being made.

For 2018/19, the remission is set at $26.00 + GST per annum.

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**Remission applies to**
All affected residential properties where the new low pressure pumps are connected to the household electricity supply as a result of Council’s earthquake recovery work, but excluding any property:
- With a pump owned and installed by a property owner prior to 1 July 2013,
- That requires a pressure sewer system as part of a subdivision of land that occurred after 1 July 2013,
- That was vacant land prior to 4 September 2010, or
- That is sold after 30 June 2018

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**Remission 6: Earthquake-affected properties**

**Objective**
The objective of this remission is to provide rates relief to those ratepayers most affected by the earthquakes, whilst acknowledging that any such support is effectively paid for by those ratepayers less affected.

**Conditions and criteria**
Rates may be remitted for residential and “non-rateable” units unable to be occupied as a direct result of earthquake damage (i.e. the remission will not apply to houses vacated for the purpose of effecting earthquake repair).

The amount remitted will be equal to the amount of rates charged on the value of Improvements (i.e. rates will effectively be charged on Land Value only, as if the building had been demolished).

For 2018/19, the remission is set at $26.00 + GST per annum.

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**Remission applies to**
All rating units.

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**Remission 7: Excess Water Charges**

**Objective**
The Council considers that it is the ratepayer’s responsibility to ensure the integrity of water reticulation systems within their boundary. Therefore the Council expects that, in general, excess water rates must be paid in full by the ratepayer. However, the Council recognises that in some limited instances it is unreasonable to collect the full amount of excess water charges payable by a ratepayer.

The objective of this remission is to waive the payment of excess water supply rates where it is fair and equitable to do so.

**Conditions and criteria**
Council may consider remitting up to 100% of excess water rates when the ratepayer could not reasonably have
been expected to know that a leak within their boundary has resulted in unusually high water consumption.

**Remission applies to:**
All ratepayers liable for excess water rates.

**Remission 7: Other remissions deemed fair and equitable**

**Objective**
To recognise that the Council’s policies for rates remission cannot contemplate all possible situations where it may be appropriate to remit rates.

**Conditions and criteria**
The Council may, by specific resolution, remit any rate or rates penalty when it considers it fair and equitable to do so.
Rates Postponement Policy

Objective
To assist owner-occupiers of property to continue living in their home – in particular for ratepayers aged 65 years and over, but also for younger ratepayers if they do not have the financial capacity to pay their rates or where the payment of rates would create financial hardship.

Postponement statement
Up to 100% of rates may be postponed for a period determined by the Council, where Council’s rating staff consider that the applicant qualifies under this Policy.

Conditions and criteria
The postponement applies to properties that are the primary private residence owned and occupied by the ratepayer.

Applicants aged 65 years and over qualify automatically. Younger ratepayers may qualify if they can demonstrate that:

a) they do not have the financial capacity to pay their rates; or
b) the payment of rates would create financial hardship.

Written applications and a declaration of eligibility will generally be required for all postponements. However, staff may waive the written application provided they are satisfied there is good reason and provided that full details of the application are recorded.

Applications for postponement will be considered on their individual merits.

Rates penalties will not be applied or will be remitted for any rates that have been postponed.

The postponement will continue to apply until:

a) the ratepayer ceases to be the owner or occupier of the rating unit; or
b) the ratepayer ceases to use the property as their primary private residence; or
c) (for younger ratepayers qualifying due to financial hardship) the ratepayer recovers the ability to pay; or
d) a date specified by the Council at the time of granting the postponement;

whichever is the sooner.

Notwithstanding these criteria, the total amount postponed may not exceed 20% of the property’s most recent Rating Valuation. If the postponed amount exceeds this figure, or Council rates staff consider that the continuation of postponement for another financial year will cause it to exceed this figure, the postponement will cease and all amounts will become due and payable. In such circumstance, the ratepayer may apply for a payment arrangement to avoid the imposition of late payment penalties (in accordance with Remission 3 of Council’s Remissions Policy)

Postponement applies to:
Any land owned and occupied by the ratepayer as their primary private residence.

Postponement – general issues
The postponed rates will remain a charge against the property and must be paid either when the property ceases to be the place of residence of the applicant or the criteria no longer apply. Postponed rates may include rate arrears owing from previous financial years.

A fee (effectively interest) will be charged annually where rates have been postponed, and will be added to the total postponed amount. This fee will be calculated at the end of each rating year on the accrued amount postponed (including any fees) at the beginning of that financial year. The fee will be based on the Council’s estimated cost of borrowing as published in the Annual Plan.

The Applicant must demonstrate understanding of the nature of compound interest, for example through evidence of adequate financial or legal advice. The Council may require this understanding to be re-confirmed each financial year.
Remission and Postponement Policy of Rates on Maori Freehold Land

The City contains a number of Maori Land properties which are either unoccupied and unimproved or partially occupied. In some cases these are creating a significant rating burden on the Maori owners who often do not have the means nor, in some cases, the desire to make economic use of the land. Often this is because of the nature of the ownership, because the land has some special significance which would make it undesirable to develop or reside on, or is isolated and marginal in quality.

The Council has recognised that the nature of Maori Land is different to General Land and has formulated this policy to deal with those differences.

Objective

The Council has recognized that certain Maori Owned Lands have particular conditions, ownership structures or other circumstances which make it appropriate to remit or postpone rates for defined periods of time.

The Council and the community benefit through more efficient use of staff time and the removal of that rates debt which is considered non-collectable.

The Council is required to consider every application for remission and/or postponement of rates on Maori Owned Land pursuant to Section 108(4) of the Local Government Act 2002 and will then consider the most appropriate tool, if any, either remission or postponement to assist in making ownership and occupancy of the land feasible.

Conditions and criteria for postponement or remission

General:

- The rating units must be either Maori Customary Land or Maori Freehold Land as defined by S.129 of the Te Ture Whenua Act 1993.
- Council will have the sole discretion on whether or not to grant the remission or postponement and may seek such additional information as may be required before making its final decision.
- The policy does not provide for the permanent remission or postponement of rates on the property concerned.
- If the status of the land changes so that it no longer complies with the criteria the remission or postponement ceases unless further relief is granted in accordance with the policies below.
- Council expects that any rating relief will be temporary and each application will be limited to a term of three years. However the Council may consider renewing the rate relief upon the receipt of further applications from the owners. Council may also, at its sole discretion, renew the rating relief without application from the owners.
- In the event that subsequent applications for rating relief are made by only one or a minority of owners, Council may require that these are signed or supported by such greater proportion of owners as may be required from time to time.
- The land must have, in the opinion of the Council, historical, ancestral or cultural significance.

Policy application where the rating unit is not in use

In general, the criteria for granting rates relief would include some or all of the following:

1. the land is not in use (as defined below);
2. the land is unimproved: the land has no or minimal improvements;
3. the land is land locked: the land does not have legal access to the Council or national roading network;
4. multiple ownership or fragmented ownership: the land has multiple owners and ownership rights, and individual share proportions vary. Owners are scattered throughout the country and even worldwide. Attempts to contact a majority representation are often painstaking and difficult;
5. the land has particular value as ancestral land in relation to its owners’ culture and traditions;
6. the presence of waahi tapu that may affect the use of the land for other purposes;
7. government and Council’s desire to avoid further alienation of Maori freehold land;
8. the land has particular conservation value:
because of its remoteness and inaccessibility the land has a high conservation value which Council or the community wish to preserve;

9. unsecured legal title:
land titles have not been surveyed, therefore they cannot be registered with the District Land Registrar. Owners seeking finance for development of their land are restricted as mortgages cannot be registered against the title;

10. isolation and marginal in quality:
the land is geographically isolated and of marginal quality;

11. no management structures:
owners of the land have no management or operating structures in place to administer matters;

12. rating problems:
because of the above factors there is a history of rate arrears and/or a difficulty in establishing who is/should be responsible for the payment of rates.

In accordance with Part 2 Section 96 of the Local Government (Rating) Act 2002 Maori Land is defined as in use when person/persons do one or more of the following for his or her profit or benefit:

- resides upon the land
- depastures or maintains livestock on the land
- stores anything on the land
- uses the land in any other way.

**Policy application where the rating unit is in use**

Where an insignificant or inconsequential portion of the land is in use Council may, at its sole discretion, provide rating relief on that portion of land not in use. For example, the depasturing of a pony on the rating unit is likely to be considered inconsequential.

Any such relief shall be determined following consideration of the criteria for granting rates relief on land not in use (as detailed above). In addition, Council is more likely to grant rates relief when one or both of the criteria below are met:

1. where the land is used by its owners for traditional purposes; and
2. where the land is used in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere).

**Policy application where there is a change in status, ownership, or use**

In some circumstances Maori Land may change status (for example from Maori Freehold Land to General Land Owned by Maori), ownership, or use (for example persons may choose to reside upon land previously unoccupied). Where Council deems it to be in the interests of the community it may, at its sole discretion, choose to remit or postpone any postponed rates or rates arrears and penalty arrears on that land.

For example, should the land be developed in order to establish a conservation estate Council may grant rates relief. Similarly, should the land be developed in such a manner as to change it from unproductive to productive land, and therefore eligible for rates in the future, Council may grant rates relief.

The amount and timing of any rates relief provided under this policy is entirely at the discretion of Council. However, in general such relief will not exceed the following:

- 100% remission of historic unpaid rates and penalties;
- 100% remission of general rates in the year of change in use;
- 50% remission of general rates in the year following change in use.

**Remission applies to:**
Owners, or authorised agents of the owners, of Maori Land, with different conditions applying to occupied, unoccupied or partially occupied land.