

Manawātū District Council - Revenue and Financing Policy 2024-2034

Our Revenue and Funding Policy outlines how we fund operational and capital expenditure. The Local Government Act 2002 requires us to have a Revenue and Financing Policy.

Council follows a two-step process in developing the policy. Firstly, Council determines how to group Council activities. Secondly, Council determines the funding arrangements for each activity by considering:

- a. The community outcomes to which each activity primarily contributes
- b. The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
- c. Over what period of time the benefits are expected to occur
- d. The extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity; and
- e. The costs and benefits, including consequences for transparency and accountability, of funding any activity distinctly from other activities.

Funding operational expenditure

Operating expenditure is what we spend on the Council's day-to-day activities – like running our community services, mowing the lawns in our parks, and collecting rubbish.

Usually, we set our operating revenue (the money we collect) at a level that pays for the operational expenditure. However, it is prudent to do something other than this for some years. If there has been an operating profit in the previous years, we may use that profit to fund subsequent years' operating expenditure. On rare occasions, we might also budget for an operational deficit if it avoids significant fluctuations in rates, fees, or charges.

We have several sources of operating revenue:

- General rates – are generally used by the Council to fund activities where the benefits flow to the district as a whole and the Council considers that the whole community should contribute to the cost.
- Targeted rates – which pay for specific activities and may be paid for by specific groups of ratepayers
- User charges and fees for council services
- Lump sum contributions
- Regional fuel tax
- Any dividends, interest, and proceeds from asset sales
- Previous year's unspent income (reserve funds).

Funding capital expenditure

Capital expenditure is what we spend on property, plant, and equipment to provide services to our community— like roads, swimming pools and the Community Hub.

As with operating revenue, we use several sources to fund capital expenditure:

- Debt to fund new capital assets
- Contributions and subsidies from other agencies, particularly government agencies (for example, NZ Transport Agency (Waka Kotahi) contributions for roading projects)
- Depreciation funds to renew assets
- Financial, Development and Capital Contributions
- Financial equity reserves (such as depreciation)

Who pays for what?

Ratepayers pay for many council activities and services costs, and some pay more than others for particular services and activities. We split the costs of providing our activities depending on who benefits, while also considering the overall impact of that allocation on the community the funding is being sourced from.

General rates are assessed based on the capital value of the property – the higher the capital value, the higher the amount of general rates paid.

Similarly, some ratepayer groups will benefit more than others from a particular service or activity. In these cases, we use a ‘targeted rate’.

Those who subdivide or build new houses or commercial buildings are required to pay development contributions to fund the additional demand the development places on Council infrastructure, and associated debt cost.

We charge people user fees for services they privately benefit from, such as building and resource consents and access to the Makino Aquatic Centre.

We receive some grants and subsidies from government and other sources for activities that provide wider public benefits, such as local roads.

Over the following pages, you can read more about how our activities are funded.

Funding choices by Activity

The following pages outline how we fund council activities using the two-step process outlined above. For each activity, we specify if the funding is from public funding (rates) or private funding (user fees, subsidies).

The following table outlines how we fund each activity.

Activity	Funding mix
Community Facilities	
Cemeteries Cemeteries throughout the district benefit the community as places of mourning, remembrance, history, and recreation. Individuals directly benefit through internments of their loved ones.	60 - 70% - General Rate (CV) 30 - 40% - User charges (internment, plots)
Manawatū Community Hub and Libraries The Community Hub and Libraries benefits the community through promoting social connection, learning and literacy. The Community Hub provides a facility from which community organisations can provide social services to the community. Feilding residents benefit more than rural residents due to their proximity to the Community Hub. Users benefit individually from some services (e.g. Makerspace fees, room hire).	90-98% - Uniform Targeted Rate (Feilding 60%, Rural 40%) 2-10% - User fees and charges
Makino Aquatic Centre The activities of the Makino Aquatic Centre provide public health benefits to the community. Feilding residents benefit more than rural residents due to the proximity of the Makino Aquatic Centre. Council considers it important that the Makino Aquatic Centre remains competitive with other pools in the region, in terms of its admission fees and other charges. Pool users benefit individually from the recreational and fitness outcomes.	80-85% - Uniform Targeted Rate (Feilding 60%, Rural 40%). 15-20% - User fees and charges (admission, hireage, classes)
Parks, reserves, and sports grounds The community benefits from the public health benefits from safe, well-maintained spaces for public recreation. Sport and recreational groups benefit from having	95-98% - Targeted Rate (CV), Uniform Targeted Rate 2-5% - User fees and charges (ground fees, hireage)

well maintained facilities and infrastructure to use.	
Property The community benefits from the range of services that are provided through council-owned buildings and land. There are private benefits to community groups, businesses and not-for-profit organisations who rent or lease property from the council.	90-95% - General Rate (CV) 5-10% -User fees and charges (leases and rent)
Halls and recreation complexes The community benefits from the social connectedness, cultural well-being, and emergency preparedness provided by community halls and recreation complexes. Community groups and organisations, and sport and recreational groups, benefit from having well maintained halls and recreational complexes in which to meet and carry out their activities.	95-100% -Uniform Annual General Charge 0-5% - Lease fees and cost recovery
Public conveniences (toilets) The community benefits from the public health benefits of sanitary toilet facilities.	100% -Uniform Annual General Charge
Industrial Ultra-Fast Broadband The ultrafast broadband is a direct benefit to those within the Kawakawa/Darragh industrial area. This is a targeted rate for those properties in Kawakawa/Darragh industrial area within 10 meters of the ultrafast broadband infrastructure.	100% - Targeted rate
Feilding Central Business District Security Businesses in the Feilding CBD benefit the most from security services in the CBD. The community benefits from a safe CBD.	80% - Targeted rate (CV) CBD only 20% - General Rate (CV)
District Development	
Community development The community benefits from the local projects, events and programmes that provide community wellbeing. The council receives grants for some of the	95-100% - General Rate (CV)

community development activities.	0-5% - Grants
Economic development The community benefits from the employment and economic opportunities that flow from supporting businesses and attracting investors.	100% - General Rate (CV)
District Planning The community benefits from the well-being and economic activity that flows from having sufficient land with suitable zoning, infrastructure, and services.	76% - Uniform Annual General Charge 24% - General Rate (CV)
Emergency Management	
Emergency Management The community benefits from being well prepared for emergencies, the work to minimise effects and enable recovery when emergencies do occur.	100% - General Rate (CV)
Regulatory	
Animal Control The community benefits from being protected from dangerous, wandering animals. Animal owners should be responsible for managing their animals.	20% - Uniform Annual General Charge 80% - User fees and charges (registration, impoundment, infringements)
Building Control The community benefits from safe buildings and swimming pools across the district. Property owners benefit from owning buildings that meet the statutory safety levels.	20% - Rates - General rate (CV) 24%, Uniform Annual General Charge 76% 80% - User fees and charges (building consents, warrants, infringements)
Alcohol Licensing The community benefits from having premises that comply with alcohol controls. Individual businesses benefit from being able to demonstrate that they meet alcohol control requirements.	70% - Rates – General Rate (CV) 24%, Uniform Annual General Charge 76% 30% - User fees and charges (registration, licenses, permits, certificates)
Environmental Health The community benefits from the public health outcomes of safe food premises, ensuring bylaw compliance, and timely responses to nuisance complaints (for example, noise). Individual businesses benefit from demonstrating to their customers that they have acceptable	90% - Rates - General Rate (CV) 24%, Uniform Annual General Charge 76% 10% - User fees and charges (registration, licences, permits, certificates)

standards of food hygiene.	
Consent Planning The community benefits from safe, orderly, and consistent development across the district. Individual property owners benefit by developing properties that meet legislative requirements and community expectations.	50% - Rates - General Rate (CV) 24%, Uniform Annual General Charge 76% 50% - User fees and charges (consents, infringements)
Governance and Strategy	
Governance and Strategy The community benefits from advocacy on community issues and the development of community pride and responsibility.	95-100% Rates - General Rate (CV) 50%, Uniform Annual General Charge 50% 0-5% - Election-related revenue (during an election year)
Roading	
Feilding Central Business District (CBD) Redevelopment The community benefits from economic and community outcomes from an attractive CBD.	100% - General Rate (CV)
Roading Network – Subsidised by New Zealand Transport Agency Waka Kotahi (NZTA) The community benefits from the connectivity to the transportation network. This connectivity delivers economic and social outcomes. Well-designed roads and footpaths provide safety benefits.	49% - Targeted Rate (CV), Uniform Targeted Rate 51% - Waka Kotahi NZTA subsidy
Roading Network (non-subsidised) Non-subsidised roading projects do not meet NZTA Waka Kotahi criteria for safety and economic benefits to the broader public compared to the status quo and, therefore, do not attract a subsidy. Manawātū District Council fully funds these projects. Residents who live and/or work on these roads are those that benefit from these projects (such as road sealing).	100% - Targeted Rate (CV), Uniform Targeted Rate
Solid Waste	
Solid Waste Collection and Disposal The community benefits from the public health outcomes of centralised solid waste disposal. Individual households benefit from disposal of household rubbish.	30-40% - Uniform Annual General Charge 60-70% - User fees and charges (blue rubbish bag sales, transfer station gate takings, fines)
Kerbside Recycling Collection The kerbside recycling collection benefits Feilding	

residents and businesses by reducing personal cost for waste disposal. The community benefits through preserving the environment and saving landfill space through diverting recyclable materials. The funding of kerbside recycling is via a uniform targeted rate on those properties serviced by the Feilding kerbside recycling scheme. There is a small amount of revenue from recycling recoverables.	90-95% - Uniform Targeted Rate 5-10% User fees and charges (recycling recoverables)
Stormwater	
Rural Land Drainage The community benefits by managing the risks from flooding and retaining the productive capacity of surrounding rural land. Rural property owners benefit from protecting their land from flooding and increasing the productive capacity of their land.	100% - Targeted Rate (LV) Scheme Specific
Urban Stormwater The community benefits from protecting people and property from flooding. Individual property owners benefit from the protection from flooding. This activity is funded by a combination of the general rate (based on capital value with differentials) and uniform targeted rates on areas served by the various schemes.	20% - General Rate (CV) 80% - Uniform Targeted Rate
Wastewater	
Wastewater The community benefits from the public health outcomes from effective wastewater disposal. Scheme users benefit from a collective wastewater disposal system. Many rural and lifestyle properties have onsite wastewater disposal so do not benefit directly from Council's reticulated wastewater network. This activity is funded via targeted rates on areas serviced by individual schemes.	70%-80% -Targeted Rate (fixed) – connected, available, restricted 20%-30% - Trade waste fees, rental, and lease
Capital Contribution Targeted Rate Capital contribution targets rates are assessed on rating units where ratepayers have signed an agreement to pay their capital contribution of over set terms (either 10 or 20 years) for the Himatangi Beach Wastewater Scheme, and the Rongotea Water Scheme.	100% Targeted Rate.

Those ratepayers in Himatangi Beach and Rongotea that have signed agreements with Council benefit financially from spreading their capital contribution costs over time.	
Nursery The nursery is self-funding through internal charging for plant provision to other activity areas. Plants sold outside of Council provide a self-funding revenue stream to support Council activities. Council and other local authorities such as Horizons benefit from surplus plants being sold in a non-commercial scenario.	100% - Plant sales and planting charges
Water Supply	
Water supply The community benefits from the public health outcomes of safe drinking water and the community and recreational benefits of a consistent water supply. Private users benefit from a consistent and safe water supply to their properties. This activity is funded through targeted rates on areas serviced by individual schemes and user fees and charges (e.g. water meters).	100% - Targeted Rate (fixed) – connected, available, restricted; water by Metre Rate (volumetric)
Water Supply – Scheme Specific Rural water schemes provide local benefits to specific users.	100% - Uniform Targeted Rate scheme specific rate on a per unit basis.