



Have your
Say!



Revenue and Financing Policy 2024

Consultation Document

This policy sets out how we as a Council charge for the services we provide, we're proposing some changes and want your feedback.

This document includes a summary of the proposed new policy, an outline of the changes and a submission form for your feedback. The full draft policy is available at [ItsOurPlace.nz](https://www.itsourplace.nz)

We are accepting feedback until Sunday 28 April 2024

Consultation Document for Revenue and Financing Policy 2024

Ashburton District Council is reviewing its Revenue & Financing Policy and is proposing some changes. This policy sets out how we as a Council charge for the services we provide. This booklet includes a summary of the proposed new policy, an outline of the changes and a submission form for your feedback. We are accepting feedback until Sunday 28 April 2024.

Introduction

What is the Revenue and Financing Policy?

The policy sets out how we pay for each service and activity we are involved in and why. Our approach is to allocate a percentage to each service which is based on who benefits. For example, building regulation primarily benefits building owners and construction contractors being able to build in a manner that meets the requirements of the Act and the NZ Building Code. But we also consider there is a benefit for all ratepayers, through ensuring public safety, which is why all ratepayers also bear some of the cost through the general rate.

What are rates?

A rate is a fund collected by Council through taxes on properties within the district. The policy sets out different types of rates. Rates can be applied in different ways, such as:

- **Targeted Rate:** A targeted rate is charged for a specific service, available to specific properties/ratepayers meaning the benefit from the service is not available to all. Targeted rates may be charged on the basis of Capital Value (CV), such as a targeted rate for urban or rural amenities or as a uniform targeted rate (e.g. waste collection rate).
- **General Rate:** A general rate is applied on all rateable properties across the district and is calculated on the Capital Value (CV) of the property.
- **Uniform Annual General Charge (UAGC):** A uniform amount is charged on every rating unit in the district irrespective of the CV, location, or use of the property (business or residential). This rate is used when it is clear that everyone benefits from the service or activity.

What are user charges (fees & charges)?

Fees and charges apply when those who use the service are the ones who benefit from it. For example, consent fees or dog registration fees.

What is the difference between capital expenditure and operating expenditure?

Capital expenditure is the funds spent on new assets or on assets that increase or maintains the level of service we provide or extend the life of an asset. Operating expenditure covers the day-to-day cost of providing activities and services.

What are we proposing?

Table 1: Key change – Stockwater management

What is the stockwater management activity?

The Council owns and operates a stockwater race network that includes 1,567 km of water races. The budget for the activity is around \$1.3M.

What is the current policy?

Activity	2021-24 Policy
Stockwater Management	• 10-20% General rate • 80-90% Targeted rate based on length of water race adjoining or crossing property. Minimum targeted rate \$260. • Targeted rates also include charges for every pond service, pipe service, ram service, pump service, water wheel, windmill, dip service or extension pump service using water from the water races.

What is the problem?

There are several problems with the current funding policy:

- There is a wide difference in stockwater rates between the lowest and highest stockwater ratepayers. The lowest pay \$260 per year. The top 20% pay from \$1,600 to \$9,400.
- Around 45% of ratepayers do not use the stockwater race network for stockwater. This adds to perceptions of unfairness amongst non-users.
- The policy is not perceived as providing strong financial incentives for water users to shift to more efficient sources of stockwater.
- There is no alternative to address this unfairness and improve financial incentives other than to increase the minimum charge.
- Targeted rates based on charges for services are unfair as the information on services in the rating database is not robust.
- As races close, the number of ratepayers paying targeted rates declines meaning that a budget exceeding \$1M is divided between fewer ratepayers over time, making the current approach unsustainable.

What is the preferred solution?

Activity	Proposed 2024-27 Policy
Stockwater Management	• 10-20% General rate • 80-90% Targeted rate based on length of water race adjoining or crossing property. Minimum targeted rate \$700. • Targeted rates for services using water from the race system will no longer be charged.

What are the advantages and disadvantages of the preferred solution?

Preferred Solution – Increase minimum charge to \$700 in 2024-25 (1 year)

Advantages:

- Aligns with the Council's preferences for the future delivery of stockwater
- Addresses the inequities between those with small race lengths and those with long race lengths.
- Addresses the problem of service charges

Disadvantages:

- Options like this proposal were not preferred by most submitters in 2021 when a \$600 increase was proposed.
- May be an unsustainable increase for some properties.

Options

Council has identified three options as alternatives for consultation:

Option A – Status Quo

Advantages:

- Minimal impact to properties paying the least amount of stockwater rates.
- Addresses the problem of service charges.

Disadvantages:

- Does not align with Council's preferences for the future delivery of stockwater
- Does not address unfairness between the highest and lowest stockwater ratepayers.

Option B– Increase minimum charge to \$500 in 2024-25 (1 year)

Advantages

- Aligns with Council's preferences for the future delivery of stockwater.
- Addresses the inequities between those with small race lengths and those with long race lengths.
- Provides benefit to the very largest landowners while introducing less impactful increases to properties with smaller race lengths.
- Addresses the problem of service charges

Disadvantages:

- Options like this proposal were not preferred by most submitters in 2021 when a \$600 increase was proposed.
- May still be an unsustainable increase for some properties, but less so than the preferred option.

Option C– Increase minimum charge to \$700 by 2025-26 (2 years)

Advantages

- Aligns with Council's preferences for the future delivery of stockwater.
- Addresses the inequities between those with small race lengths and those with long race lengths.
- Provides benefit to the very largest landowners while signalling incremental increases to properties with smaller race lengths.
- Addresses the problem of service charges.

Disadvantages:

- Options like this proposal were not preferred by most submitters in 2021 when a \$600 increase was proposed.
- May still be an unsustainable increase for some properties, but less so than the preferred option or Option B.

Table 2: Other Changes – Minor adjustments to funding sources

Activity	2021-24 Policy	Proposed	Reason/Rationale	Impact
Drinking Water	100% Uniform Targeted Rate	95-100% Uniform Targeted Rate 0-5% Fees & Charges	The proposal recognises revenue from fees & charges as volumetric charge applies to extraordinary users.	Improves transparency by mentioning funding splits clearly.
Wastewater	100% Uniform Targeted Rate	90-100% Uniform Targeted Rate 0-5% Fees & Charges 0-5% Other sources (e.g. grass sales revenue)	The proposal recognises revenue from fees & charges and other sources such as grass sales.	
Solid Waste Collection	100% Uniform Targeted Rate	95-100% Uniform Targeted Rate 0-5% Fees & Charges	The proposal recognises revenue from fees & charges.	
Ashburton Youth Council	100% UAGC	Activity deleted	Council has decided to engage with youth in other ways, which are funded through other activities.	Nil to minor.
Commercial Property	Contribution to general rate & UAGC	100% Fees & Charges	The proposal is consistent with how revenue sources for all activities are explained in the policy and acknowledges use of surplus.	Nil
Forestry	Contribution to general rate & UAGC	100% Other Sources (Forestry Net profit of sales)		
Cemeteries	20-40% General Rate 60-80% Fees & Charges	40-50% General Rate 50-60% Fees & Charges	The activity often struggles to achieve enough revenue from fees & charges. With the Ashburton cemetery extension the operating expenditure for the activity have also increased. We are proposing to implement 40-50% range for the use of	All ratepayers may have an impact as they all pay the general rate.

Activity	2021-24 Policy	Proposed	Reason/Rationale	Impact
			general rate with the intention of maximising fees & charges.	
Ashburton Library	100% UAGC	95-100% UAGC 0-5% Fees & Charges	The proposal recognises revenue from fees & charges.	Improves transparency by mentioning funding splits clearly.
Ashburton Art Gallery & Museum	100% UAGC	95-100% UAGC 0-5% Fees & Charges		

Table 3: Other changes – Activities separated

Activity	2021-24 Policy	Proposed	Reason/Rationale	Impact
Ashburton Airport	Activity part of Commercial Property in current policy	50-60% General Rate 40-50% Fee & Charges	Improves transparency of airport funding	Nil to minor
Campgrounds	Part of combination of activities under Reserves & Campgrounds	65-75% General Rate 25-35% Fees & Charges	Improves transparency of campground funding	Nil to minor

Table 4: Status Quo – Activities where no change is proposed

Activities	Proposed	Rationale	Impact
Stormwater	10% General Rate 90% Targeted Rate (CV)	Our review of the policy shows that these activities are funded appropriately.	Nil
Roading	90-100% Targeted (CV) 0-10% Fees & Charges		
Footpaths & Cycleways	30% General Rate		

Activities	Proposed	Rationale	Impact
	70% Targeted rate (CV) 100% Targeted rate (CV) for inner footpath cleaning		
Solid Waste Management	40% General Rate 60% Fees & Charges		
Community Grants and Funding	100% UAGC		
Ashburton Water Management Zone Committee	100% General Rate		
Council	100% UAGC		
Methven Community Board	100% Uniform Targeted Rate		
Business & Economic Development	100% General Rate		
District Promotion & Tourism	50% General Rate 50% Targeted Rate (CV)		
Elderly Persons Housing	70-100% Fees & Charges 0-30% General Rate		
Public Conveniences	80% UAGC 20% Targeted Rate (CV)		
Community Safety (CCTV & Security)	75% UAGC 25% General Rate		
Memorial Halls & Reserve Boards	100% Targeted Rate CV		
Rural Beautification	50% General Rate 50% Targeted Rate (CV)		
Urban Beautification (including Ashburton Domain)	50% General Rate 50% Targeted Rate (CV)		
EA Networks Centre	50-70% UAGC 30-50% Fees & Charges		
Alcohol Licensing & Gambling Venue Consenting	20-25% General Rate 75-80% Fees & Charges		

Activities	Proposed	Rationale	Impact
Animal Control	5-15% General Rate 85-95% Fees & Charges		
Building Regulation	10-20% General Rate 80-90% Fees & Charges		
District Planning (including Land Information)	20-40% General Rate 60-80% Fees & Charges		
District Plan (policy and development)	100% General Rate		
Environmental Health – Monitoring and Enforcement	100% General Rate		
Environmental Health – Licensing	10-15% General Rate 85-90% Fees & Charges		
Emergency Management	50% UAGC 50% General Rate		
Parking	100% Fees & Charges		

Draft policy

The full draft policy is available at itsourplace.nz.

Review process and timeline

We're accepting feedback from the community until Sunday 28 April 2024.

From 13-16 May, submitters will have the opportunity to present their views to Council in person at the hearing, after which Councillors will consider and deliberate on all the submissions received.

Wednesday 27 March – Sunday 28 April 2024

Community Consultation

13-23 May 2024

Submission hearings and deliberations

May - June 2024

Policy finalisation

June 2024

Final Policy adoption

Have your say

Your feedback will help us to know whether we are on the right track.

Please note all submissions are public documents and will be made available on Council's website with the names of submitters included.

Submissions presented in the form of a petition or accompanied by multiple signatures will be processed as a single submission.

The easiest way to provide your feedback is online at itsourplace.nz

Alternatively, you can provide feedback by filling in the attached submission form and getting it back to us using one of the following methods:

Freepost to Ashburton District Council

Freepost 230444

PO Box 94

Ashburton 7740

Email to submissions@adc.govt.nz

Hand in to Council reception at Te Whare Whakatare, Baring Square East

You have until Sunday 28 April 2024 to get your feedback in.

Please note that by making a submission, your information will be used in the following ways:

- Submission material, including your name and organisation (if applicable) but excluding your contact details, will be included in material available to Council, media and the public at our office and on our website.

- The contact details you provide will be used for administration of the consultation process, including informing you of the outcome of the consultation.

- The information you have provided will be stored and held by Council. If you would like to request access to, or make a correction to your personal information, please contact the Council staff.

Submission Form

Your details

Name* _____

Organisation (if appropriate) _____

Address _____

Phone _____

Email* _____

**these fields are required*

Do you wish to speak in support of your submission at the hearing?

(if no boxes are ticked, it will be considered that you do not wish to be heard)

☐ **Yes:**

The hearing will be held at Hine Paaka (the Council Chamber) between 13-16 May.

If yes, do you wish to be heard: ☐ **In-Person** or ☐ **Virtually**

☐ **No:**

I do not wish to speak in support of my submission and ask that the following written submission be fully considered.

You can submit on any or all of the questions below. You don't have to complete every question and you can comment on any aspect of the draft policy. You can provide attachments to support your submission. The full draft policy is available at itsourplace.nz

1. Key Change - Stockwater Management: Which option do you support for the management of stockwater?

Preferred option: Increase minimum charge to \$700 in 2024-25 (1 year)	
Option A: Status quo	
Option B: Increase minimum charge to \$500 in 2024-25 (1 year)	
Option C: Increase minimum charge to \$700 by 2025-26 (2 years)	

2. We are proposing minor adjustments to funding sources of Drinking Water, Wastewater, Solid Waste Collection, Commercial Property, Forestry, Cemeteries, Ashburton Library, Ashburton Art Gallery & Museum.

Do you have any views on the minor adjustments we are proposing?

3. We are proposing other changes by including Ashburton Airport and Campgrounds as separate activities in the policy.

Do you have any views on how funding sources for these activities are explained in the policy?

4. Do you support where we have proposed status quo as our preferred option for some activities? See table 4.

5. Any other comments?

Comments:
