

Revenue and Financing Policy

Purpose:

This policy sets out the council's policies in respect of funding operating and capital expenditure. This policy has been reviewed in line with the Council's Long-term Plan and has considered the principles of our Financial Strategy.

Council's overall approach is that, where practicable, areas that directly benefit fund the service/activity or bundle of services in that area. It implements this philosophy through the use of district ward rating areas.

Principles and objectives:

Council has reviewed each individual activity with a view to determining an equitable funding policy. In doing so, Council considered the nature of the service and the benefits and beneficiaries for each service. Items considered during that deliberation were:

- Community outcomes to which an activity contributes
- The distribution of benefits between the community, identifiable parts of the community and individuals
- The period during which the benefits are expected to occur
- The extent to which actions, or inactions, of individuals or groups contribute to the need to undertake the activity
- Costs and benefits of funding the activity distinctly from other activities

The revenue and financing policy is not just an aggregation of policies for the individual activities Council carries out but is also a means for Council to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural well-being of the community.

Scope:

This Policy applies to Central Otago District Council staff and elected members.

Definitions:

UAGC - Uniform Annual General Charge (Also refer to Rating Policy for further explanation).

Policy:

Financial Management

The Local Government Act 2002 places specific responsibility on Council to manage its revenue, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the Central Otago District community. In doing so, Council is required to make adequate and effective provision for the expenditure needs of the Council.

Funding of Operating Expenditure

Council is required to have a balanced budget. It must set each year's projected operating revenues at a level sufficient to meet that year's projected operating expenses. Council may only vary this when it is financially prudent to do so.

Council must also consider the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.

Operational expenditure is the cost of providing the level of service in a given year and includes depreciation on assets. Depreciation is defined as the measure of consumption of the economic benefits of an asset arising from its use over time. Those who benefit from the use of an asset should contribute towards its cost/consumption.

Because of the size of Council's depreciation expenses within a balanced budget, rate funding of depreciation provides resources to pay for the renewal of the asset at the end of its useful life or for related debt repayment.

There are circumstances when fully rate funding depreciation may result in some ratepayers bearing a funding burden that is not entirely fair and equitable. This is where funds for capital project replacement are provided from sources outside Council, for example where a community has raised funds for a hall. Council would not rate fund the depreciation on the hall, as any replacement of that facility would be the responsibility of that community.

Council reviews the effects on ratepayers of fully rate funding increased depreciation from the revaluation of assets. Council considers each revaluation and may in fact choose to not fully rate fund an increase or to introduce the increase in funding required over time.

Overview of Funding Mechanisms used by Council

Council will make use of a mix of revenue sources to meet operating expenses.

The extent to which the provision of a service by the Council is a public or private good will largely determine the extent to which rates, fees and charges become the funding source. The income from fees and charges and subsidies may vary based on economic circumstances. The mechanisms are outlined below:

General Rate

General rates are used to fund activities where it is not possible to clearly identify customers or users. The general rate is also used to fund activities where, for reasons of fairness and equity, consideration of the wider community good indicates that this is the most appropriate way to fund an activity.

Differentials detailed in the Schedule of Rates are applied to this rate. Differentials are applied to hydro-electric dams to ensure that their overall rate changes are kept in line with the overall change in total rates for Council. This differential recognises the disproportionately large capital value of hydro-electric dams in relation to their actual benefit from or burden on Council activity.

Targeted Rates

Targeted rates are rates that are aimed at a specific activity, group of activities, group of ratepayers or combination of the three. Differentials may be set on these rates to reflect a different extent of benefit to each group of ratepayers of the targeted activity. Targeted rates may also be set as an alternative to lump sum contributions for capital projects.

Lump sum contributions

Lump sum contributions are used to fund capital projects and will be charged to ratepayers at the time of connection.

Fees and Charges

These are direct charges to individuals or organisations who use certain activities such as pools and building consents. These are published each year in Council's Schedule of Fees and Charges.

Other Sources of Funding

Other sources of funding received by Council include dividends, interest, proceeds from asset sales and income from external agencies. These are used to support an activity for example, government assistance such as the New Zealand Transport Agency for the roading activity.

The table on following pages outlines the funding mechanisms used for the individual activities. These mechanisms fall under three headings: general rates, targeted rates, and fees and subsidies.

Funding of Capital Expenditure

Council categorises capital expenditure into three main areas:

- Renewal of existing assets at the end of their useful lives
- Growth related assets
- Expenditure on assets that are an improvement or addition to the asset including expenditure on assets driven by statutory requirement. This expenditure is seen as an increase in the level of service provided and intergenerational by nature.

Council's use of funding mechanisms to fund capital expenditure are as follows:


Council will first apply any relevant subsidies, for example relevant NZ Transport Agency subsidies, and development contributions for any growth-related assets.

Special Funds are also used for funding new capital and/or renewals. These funds are contributed from several sources, for example, historical funds, proceeds from the sale of assets and proceeds from the sale of endowment land.


It is intended that Council will get to the point where asset renewals are being met from operating rates revenue through depreciation, except for assets where the Council's policy is not to fund depreciation. To ensure the Council achieves value for money, there will be times where Council groups works in one year, but equalises the rate take over a period of years.

Borrowing will be applied to new capital works subject to the preceding statement on the use of rates. The Council views debt as a smoothing mechanism and a means of achieving equity between time periods. However, the Council does not have an unlimited capacity to borrow and the community does not have unlimited capacity to service those loans into the future. Therefore, the Council adopts a prudent approach to debt and its capital programme to ensure that the burden of debt and the interest cost does not place an impossible burden on the community. In doing so the Council is conscious of its use of internal funds as a source of borrowing.


Proceeds from asset sales may be used to fund capital works or repay debt. This method is favoured due to its transparency and the neutral effect it has on rating. Land available for sale across the District may also be sold in order to fund capital projects and reduce borrowings.


ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
THREE WATERS							
THREE WATERS 	Water Council supplies households and the community with treated water at a suitable pressure and quantity. Water is treated to a required health standard and then pressurised for distribution and public firefighting. All water usage is measured through meters. From July 2012, Council introduced volumetric charging across the district (except Roxburgh). Income from volumetric charging reflects the private benefit of water at the connection but is priced to achieve an overall objective of reducing per connection usage.			Majority fixed charge per connection or serviceable rating unit		Residually funded by volumetric charge per unit from metered water supply	Residual grants and water fees
<p>Connected – any rating unit (including vacant sections) that is connected to (lateral/s provided) a Council operated water supply charged at 100%.</p> <p>Serviceable – any rating unit (including vacant sections) that is not connected to (no lateral provided) a council operated water supply but is within 100 metres of a Council operated water supply reticulation system, charged at 50%.</p>							



ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
	<p>Wastewater</p> <p>Wastewater generated by private and public premises is conveyed and treated to minimise public health risks and impacts on the environment. Where wastes from industrial processes are known to dramatically increase demand for the activity, Council capture costs through our Trade Waste Bylaw.</p>			Majority fixed charge per connection or serviceable rating unit		Lump sum contribution to fund new wastewater scheme and connection	Minority funded by trade waste fees
	<p>Connected – any rating unit (including vacant sections) that is connected to (lateral/s provided) a Council operated wastewater system charged at 100%.</p> <p>Serviceable – any rating unit (including vacant sections) that is not connected to (no lateral provided) a Council operated wastewater system but is within 30 metres of a wastewater drain, charged at 50%. An additional 25% charge for subsequent urinal or water closet for commercial accommodation uses and rest homes for the elderly will apply.</p> <p>Clyde – a targeted rate set as a fixed charge per rating unit will fund the costs arising from wastewater activities in Clyde.</p>						
	<p>Stormwater</p> <p>The stormwater activity provides for the safe removal of excess rainfall that does not naturally</p>				Fully funding from district-wide rate on capital value		


ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
	<p>permeate into the ground. Council has a responsibility to ensure individuals, households and businesses are not adversely impacted by localised flooding. Localised flooding risk is greater in urban areas where development reduces the permeability of the ground. Flood risks from large catchments, like the Clutha and Taieri rivers, are managed separately by the Otago Regional Council (ORC).</p>						
This is funded by a rate on capital value to reflect the fact that all ratepayers derive a benefit from this activity.							
<p>ROADING</p>  <p><small>He Kōwhiri o Te Rau āroa Through Economy</small> <small>He Hāpori, He Hāpori Connected Community</small> <small>Tāwhiri ki Whānau Sustainable Environment</small></p>	<p>Subsidised Roading – A core service for the public providing roads, bridges, road marking, signage, lighting, road safety and transport planning. The public benefits from our roading</p>	<p>Minority general rate, assessed differentially</p>					<p>Majority subsidy and fuel tax</p>


ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
	network by enabling economic activity throughout the district. The NZTA subsidises 51% of expenditure. This subsidy is funded through fuel taxes, road user charges, etc. and reflects the private benefit received.	This is funded by a rate on land value to reflect the fact that all ratepayers derive a benefit from this activity.					
	Non-subsidised transportation – The provision of infrastructure and service such as footpaths, car parks, vehicle crossings, street lighting, access ways and corridor gardens benefits all ratepayers.				Majority district-wide rate set on capital value	Minority funded by inspection fees	
		This is funded by a rate on capital value to reflect the fact that all ratepayers derive a benefit from this activity.					



ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
ENVIRONMENTAL SERVICES							
ENVIRONMENTAL SERVICES  <small>He Oraoia Ora Rau ana Thriving Economy</small> <small>He Hapori He Hauani Connected Community</small> <small>Taiti te Whenua Sustainable Environment</small>	<p>Waste minimisation involves the education of the public and the provision, to the public, of services to minimise the impact of solid waste on our environment. The targeted rate has a fixed element per rating unit to fund core activities such as education and monitoring. Council use a “polluter pays” approach to fund the kerbside collection service and waste transfer. This is reflected in a targeted rate assessed on the level of service and transfer station fees.</p>			<p>Majority targeted rate set by district, assessed differentially</p>			<p>Minority transfer station charges and residual grants and subsidies</p>
		<p>The targeted rate will be assessed on the basis of where the rateable land is situated. The targeted rate will be assessed on rating units. The targeted rate will be assessed based on the level of service provided, that is with a Council provided collection service or not.</p>					


ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
PLANNING AND REGULATORY							
PLANNING AND REGULATORY  <small>He Oranga o Te Rau iho Thriveing Economy</small> <small>He Hapori, He Huarahi Connected Community</small> <small>Taiti ki Whenua Sustainable Environment</small>	Council prepare and manage the District Plan under the Resource Management Act (RMA). The District Plan controls the way Council use, develop and subdivide land by identifying what activities can take place, and what landscapes and features should be protected. The activity controls the development of the district and the protection of the natural environment for all. Council implements the District Plan by processing resource consent and LIM applications for individuals, companies and groups				Majority funded from a targeted rate set by district		Resource consent and enforcement fees
		Council waives resource consent fees for heritage items, or activities in a heritage precinct which require consent solely because of the rules relating to heritage values.					



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		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
BUILDING CONTROL  <p>The purpose of building control is to uphold public safety in generally privately owned buildings. Council do this by issuing building consents, carrying out building inspections and responding to building-related enquiries and complaints. Buildings and their owners directly benefit also through consent that the building is safe and complies with the law.</p>				Residual targeted rate set by district		Majority building consent fees	
ENVIRONMENTAL HEALTH  <p>This activity provides confidence to the public and visitors that our water, food premises, hairdressers, camping grounds and funeral directors are free from harmful contaminants.</p>				Residual targeted rate set by district		Majority enforcement fees	



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		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
	Premises directly benefit also by receiving certification that they are safe and comply with the law.						
DOG CONTROL AND REGISTRATION  <small>The Challenge • Ora Kōwhiri • Thriving Economy</small> <small>The Hapori, He Hāora • Connected Community</small> <small>Taiti te Whenua • Sustainable Environment</small>	Provide the public a healthy and safe environment, free from dangerous and aggressive dogs and to minimise nuisance. Dog owners benefit from legal registrations and impounded dogs being returned. Council feels, on the grounds of fairness and equity, the costs of controlling and registering dogs should be borne by those generating the demand: dog owners.						Full funding from registrations and fines



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		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
COMMUNITY DEVELOPMENT  <p><small>He Obala e Ona Eke ana Thriving Economy</small> <small>He Hapori, He Haunui Connected Community</small> <small>Taha te Whenua Sustainable Environment</small></p>	<p>We facilitate community planning and a modest promotional grants fund. There is direct benefit in community planning which assists our communities to grow in a sustainable way.</p>		<p>Full funding from UAGC</p>				



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		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
POOLS, PARKS AND CEMETERIES							
PARKS AND RECREATION  <p><small>He Orake e Ora Rau ana Thriving Economy</small> <small>He Hapori, He Huarahi Connected Community</small> <small>Taiti te Whenua Sustainable Environment</small></p>	<p>Access to parks, reserves, rivers and recreational facilities are important for individual and public well-being. Maintaining high quality open spaces is what makes our district an attractive place to live, work and play. This includes Clutha River and Lake Dunstan recreation. Private users of sports fields and courts also benefit directly.</p>			Majority targeted rate set by ward and district, assessed differentially			Minority user charges and residual grants and subsidies
<p>The targeted rate will be assessed based on where the rateable land is situated and by rating unit. Molyneux Park rate will be assessed across the entire district on the basis of where the rateable land is situated. Maintenance and enforcement costs for tracks and waterways will be assessed across the entire district.</p>							
CEMETERIES  <p><small>He Orake e Ora Rau ana Thriving Economy</small> <small>He Hapori, He Huarahi Connected Community</small> <small>Taiti te Whenua Sustainable Environment</small></p>	<p>The provision of cemeteries assists with peace of mind for people, knowing their loved ones will rest in peaceful, well-kept environments. We have a responsibility to the public, and under the law, for</p>			Residual targeted rate set by ward			Majority fees


ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
	the maintenance of burial records, maintenance of cemetery grounds, burial of human remains, interment of human ashes and protection of the district's heritage.						
The targeted rate will be assessed on the basis of where the rateable land is situated and assessed by rating unit.							
SWIMMING POOLS  <small>He Orake e Ora Zāia ana Thriving Economy</small> <small>He Hāpaiti, He Hāuau Camaraderie Community</small> <small>Taitia te Whenua Sustainable Environment</small>	Swimming pools contribute to the health and well-being of the community and add to the attractiveness of the area. They provide a place for people to be active and to learn to swim, particularly for our young people, which we have recognised as being increasingly important when so much of our district is surrounded by water. We also acknowledge that making charges too high would decrease usage.			Majority targeted rate set by ward			Minority user charges
The targeted rate will be assessed on the basis of where the rateable land is situated and assessed by rating unit.							

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		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
PROPERTY AND COMMUNITY FACILITIES							
ELDERLY PERSONS' HOUSING  <p><small>He Orake e Ora Rau ana Thriving Economy</small> <small>He Hapori, He Huarahi Connected Community</small> <small>Taiti ki Whenua Sustainable Environment</small></p>	<p>We provide housing predominately for the elderly. Council owns flats in Alexandra, Clyde, Cromwell, Ranfurly and Roxburgh. This activity provides direct social and economic benefits to residents within housing. It also provides comfort to the wider community that our elderly residents are being assisted.</p>	Residual general rate set by District					Majority market rents
PUBLIC TOILETS  <p><small>He Orake e Ora Rau ana Thriving Economy</small> <small>He Hapori, He Huarahi Connected Community</small> <small>Taiti ki Whenua Sustainable Environment</small></p>	<p>Public toilets are provided by Council across the district. They provide social well-being to the public by maintaining health and hygiene. They also provide economic well-being by supporting tourism activity. We feel it is uneconomic and impractical to charge a fee for using public toilets.</p>			Full funding obtained from a targeted rate set by district			


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		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
<p>FORESTRY</p>  <p><small>He Orake e Ora Kōwhiri Thriving Economy</small> <small>He Hāpaiti, He Hāpaiti Connected Community</small> <small>Taiti ki Whānau Sustainable Environment</small></p>	<p>We own and manage a number of forestry blocks across the district. These forests are regarded as a financial investment while providing land stabilisation and amenity value for the community for walking and biking. Council seeks to obtain maximum value for timber sold with the aim of recovering costs plus some return on capital invested. Income will be raised on and by sale only.</p>						<p>Sale via tender or quote</p>
<p>PROPERTY</p>  <p><small>He Orake e Ora Kōwhiri Thriving Economy</small> <small>He Hāpaiti, He Hāpaiti Connected Community</small> <small>Taiti ki Whānau Sustainable Environment</small></p>	<p>We own and lease a variety of commercial and farm properties. We also develop land for sale that is not contributing to community outcomes and where it is considered unlikely to do so in the future.</p>				<p>Residual targeted rate set by ward</p>		<p>Majority market rents</p>


ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
<p>AIRPORTS</p>  <p>He Orake e Ora Kaitiaki Thriving Economy</p> <p>He Hāpori, He Hāpori Connected Community</p> <p>Taiti ki Whānau Sustainable Environment</p>	<p>We manage the assets at the aerodromes at Alexandra, Cromwell and Roxburgh. Council believes the aerodromes are assets of importance to all residents of the district due to the potential role they play in emergencies and alternative transport options for tourists and business. The users are generally recreational private pilots and some commercial users for such things as top dressing of farms.</p>	<p>Minority general rate set by district, assessed differentially on hydroelectric dams</p>					<p>Majority landing fees and rental</p>
<p>COMMUNITY FACILITIES</p>  <p>He Orake e Ora Kaitiaki Thriving Economy</p> <p>He Hāpori, He Hāpori Connected Community</p> <p>Taiti ki Whānau Sustainable Environment</p>	<p>Our community facilities and buildings provide places for social, sporting and cultural interaction. They provide both private and public well-being to users within the respective ward, unless regarded as a district facility.</p>			<p>Majority targeted rate set by ward</p>			<p>Minority user charges</p>
<p>The targeted rate will be assessed on the basis of where the rateable land is situated and assessed by rating unit.</p>							


ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
SERVICE CENTRES AND LIBRARIES							
REGIONAL TOURISM  <small>He Orake o Ora Ritau ana Thriving Economy</small> <small>He Hapori, He Huarahi Connected Community</small> <small>Taiti ki Whenua Sustainable Environment</small>	<p>We directly facilitate economic opportunity with the provision of a business development programme, a regional tourism organisation, community planning, visitor centres, managing the regional brand and a modest promotional grants fund. There is direct benefit in district promotion to all in the form of increased economic activity, but particularly to tourism operators.</p>				Majority targeted rate set by District assessed differentially	Minority user charges	
Differentials assessed on land use: Residential 1.00, Rural 0.77, Commercial/Industrial 5.37, Dams and Utilities 0.69.							
LIBRARIES  <small>He Orake o Ora Ritau ana Thriving Economy</small> <small>He Hapori, He Huarahi Connected Community</small> <small>Taiti ki Whenua Sustainable Environment</small>	<p>Our libraries promote literacy, education and the exchange of information and ideas. We run libraries in Alexandra, Clyde,</p>			Majority targeted rate set by District		Minority fees, fines and charges	


ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
	<p>Cromwell and Roxburgh and share resources of those based in the Queenstown Lakes District. We also have a partnership with schools in Millers Flat, Omakau and Maniototo. We recognise the private benefits of literacy and education but feel there should be equal access to all users, especially children and low-income households who could not afford this service if it was funded completely by user fees.</p>						
		The targeted rate will be assessed by rating unit.					
<p>SERVICE CENTRES</p>  <p><small>He Ora e Ora Rise and Thriving Economy</small> <small>He Hapori He Hapai Connected Community</small> <small>Taiti te Whenua Sustainable Environment</small></p>	<p>We operate Service Centres in Cromwell, Roxburgh and Ranfurly. These provide the community with access to Council services such as payment of rates, building</p>						Minority funded by internal cost transfer residual fees and charges

ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
	control, consent applications, access to property files and lodging service requests.						



ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
COMMUNITY, ECONOMIC AND STRATEGIC DEVELOPMENT							
<p>BUSINESS DEVELOPMENT</p>  <p><small>The Oribara One Kibanda Thriving Economy</small> <small>He Hapori, He Hauwai Connected Community</small> <small>Taiti te Whenua Sustainable Environment</small></p>	<p>We directly facilitate economic opportunity with the provision of a business development programme, a regional tourism organisation, community planning, visitor centres, managing the regional brand and a modest promotional grants fund. There is direct benefit in district promotion to all in the form of increased economic activity, but particularly to tourism operators.</p>				Full funding obtained from a targeted rate set by district		


ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
		This is funded by a rate on capital value to reflect the fact that all ratepayers derive a benefit from this activity but that the extent of benefit is more urban than rural.					
TOURISM  <small>He Ora e Ora Rise ana Thriving Economy</small> <small>He Hapori He Huarua Connected Community</small> <small>Taiti te Whenua Sustainable Environment</small>	<p>We directly facilitate economic opportunity with the provision of a business development programme, a regional tourism organisation, community planning, visitor centres, managing the regional brand and a modest promotional grants fund. There is direct benefit in district promotion to all in the form of increased economic activity, but particularly to tourism operators.</p>				Majority targeted rate set by District assessed differentially	Minority user charges	

ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
		Differentials assessed on land use: Residential 1.00, Rural 0.77, Commercial/Industrial 5.37, Dams and Utilities 0.69.					
CENTRAL OTAGO REGIONAL IDENTITY 	<p>We directly facilitate economic opportunity with the provision of a business development programme, a regional tourism organisation, community planning, visitor centres, managing the regional brand and a modest promotional grants fund. There is direct benefit in district promotion to all in the form of increased economic activity, but particularly to tourism operators.</p>	<p>Full funding by general rate, differential on hydroelectric dams</p>					

ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
		General rates differential assessed on hydro-electric dams to keep their change in rates in line with the total change in rates.					
PROMOTIONS AND GRANTS  <small>The Ombudsman's Office Turning Economy</small> <small>He Hapori, He Hauora Caring Community</small> <small>Taiti te Whenua Sustainable Environment</small>	<p>We directly facilitate economic opportunity with the provision of a business development programme, a regional tourism organisation, community planning, visitor centres, managing the regional brand and a modest promotional grants fund. There is direct benefit in district promotion to all in the form of increased economic activity, but particularly to tourism operators.</p>	<p>Full funding of district grants by general rate, differential on hydroelectric dams</p>			<p>Full funding of promotion grants differential targeted rates.</p> <p>Full funding of community board grants by differential targeted rates</p>		<p>Residual grants and subsidies</p>

ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
		District grants are funded by General rates with differentials on hydro-electric dams to keep their change in rates in line with the total change in rates. Promotion differentials assessed on location of the rating unit and land use: Residential 1.00, Rural 0.77, Commercial/Industrial 5.37, Dams and Utilities 0.69. Community Board grant differentials based on the location of the rating unit.					

ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
GOVERNANCE AND CORPORATE SERVICES							
GOVERNANCE  <small>The Ombudsman's Office Tertiary Economy</small> <small>The Mayor's Office Council Community</small> <small>Taita to Wharua Sustainable Environment</small>	<p>While the Council and Community Boards provide many different services, it is the governance activity that supports elected members to be effective and responsible decision-makers. Each person has an equal right to partake in the democratic process of Council and so benefit equally. Community Boards represent residents of each ward and are funded as such.</p>		<p>Full funding of Councillors from UAGC</p>	<p>Community Boards targeted rate set by ward</p>			
The targeted rate will be assessed on the basis of where the rateable land is situated.							
EMERGENCY MANAGEMENT  <small>The Ombudsman's Office Tertiary Economy</small> <small>The Mayor's Office Council Community</small> <small>Taita to Wharua Sustainable Environment</small>	<p>We have the responsibility to plan and provide for civil defence emergency management within the district. This activity is for the safety of our community, as any part or all of the District may be affected by an emergency event.</p>				<p>Full targeted rate set by district</p>		

ACTIVITY GROUP AND COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	FUNDING SOURCE					FEES AND CHARGES
		GENERAL RATE		TARGET RATE			
		LAND VALUE	UNIFORM ANNUAL GENERAL CHARGE (UAGC)	FIXED CHARGE	CAPITAL VALUE	OTHER	
	An emergency may be declared in response to threats to life or property. We fund this activity to reflect the property and residents we work to protect.						
CORPORATE SERVICES  <p><small>He Ora e Ora Rau e ora Thriving Economy</small></p> <p><small>He Hāpori, He Hāuaki Caring Community</small></p> <p><small>Tahi te Whenua Sustainable Environment</small></p>	The corporate services activities provide both direct and indirect support across the organisation that allows Council to function efficiently and effectively. Residents requesting information or staff time is a direct private benefit.						Staff time charged and user charges

Explanation of notations made in the table

1. **Full** means that all, or almost all, of the cost of the activity is funded from that particular source. If the comment is made in the rates column it does not preclude making minor charges for the service but indicates that the charges are a negligible part of the total funding.
2. **Majority** means the majority of the service is funded from this source. When used in the fees and charges column it reflects the view that the services should be recovered from users but that legislation imposes some constraints which may mean that full recovery is not possible.
3. **Minority** means a minority of the service or activity is funded from this source. When used in the fees and charges column it reflects the view that the majority of income should be recovered from ratepayers.
4. **Residual** indicates that a portion of funds comes from this source. It reflects that in some circumstances there are constraints on Council charges, or that the alternative revenue source may include enforcement revenue which is imposed to achieve compliance and may not always cover the costs of enforcement
5. **Availability** means that the cost of having the service available is met from that funding source. For these services, Council believes that charges can be a major barrier to access for some members of the community. Revenue in these services reflects revenue from programmes, hire of the facility and added value services.
6. **Subsidy** means that a portion of the activity is funded from a Government subsidy. In some instances, the subsidy makes a relatively minor contribution, but in others, such as roading, the subsidy is a substantial contributor to the cost of the activity. Those subsidies are identified within the individual plan of the activity.
7. **Marginal** reflects that the service has a level of public benefit but also recognises that the level of the service required is influenced by the actions or inactions of others. The revenue reflects a contribution to the cost from those parties.
8. **Market** means that the Council attempts to set its charges at a level that is affordable for the users and competitive with similar services either within the city or outside the city. It is used where market rates are not sufficient to meet the full costs of the service. The balance is funded from rates.

9. **LICENCE AND ENFORCEMENT FEES** can be charged for some services. Licence fees may be set by the Council or by regulation and may not always cover the full costs of the service. Enforcement fees are charged to achieve compliance and do not necessarily meet the full costs of the enforcement activity.
10. The Local Government Rating Act 2002 defines matters that may be used to define categories of rateable land. These are outlined below as per Schedule 2 of the Rating Act. CODC Uses Schedule 2 to define the apportionment of land for rateable purposes, and for the setting of differentials.