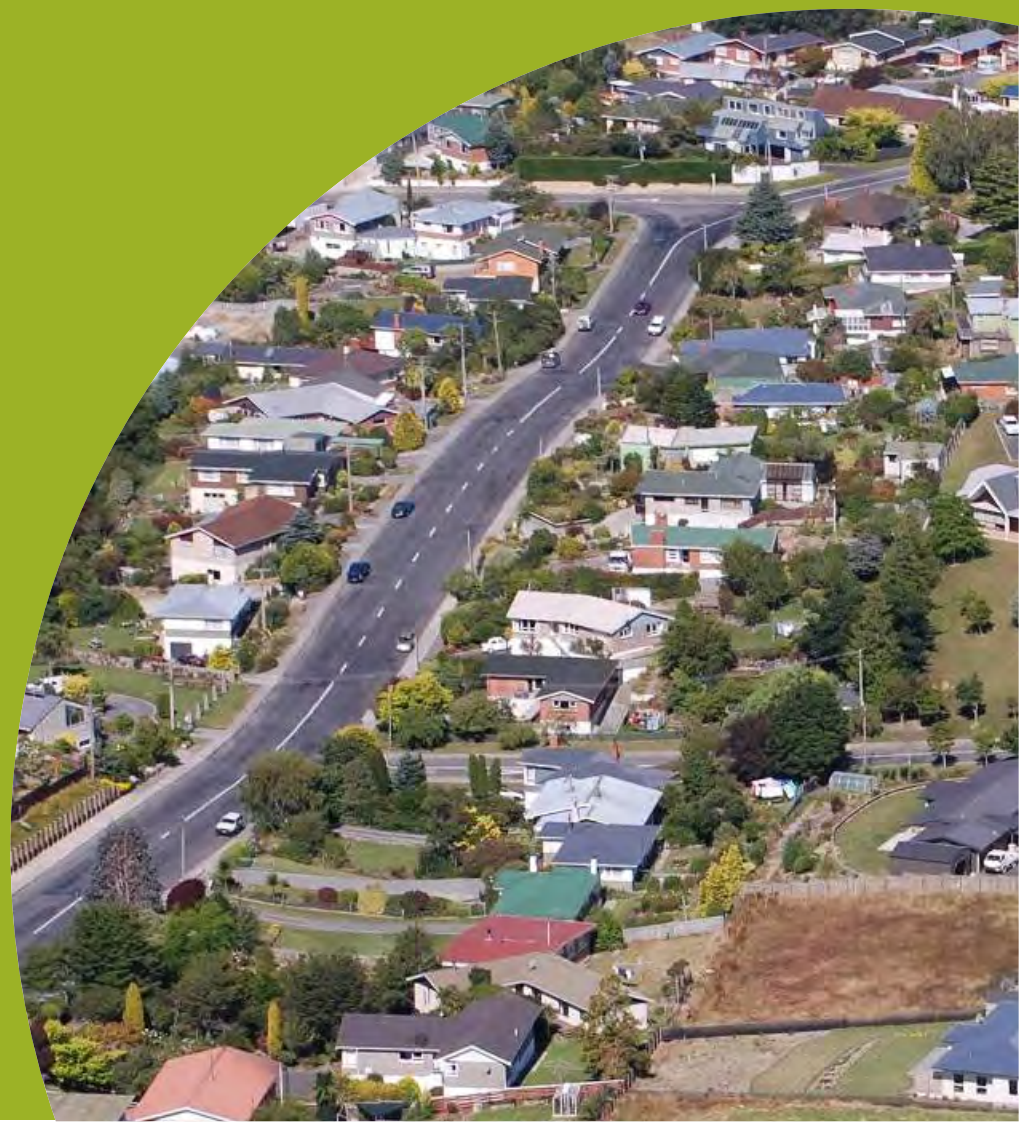


RATES

YOUR COMMUNITY YOUR COUNCIL YOUR FUTURE 2015/25



FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Sources of Operating Funding											
General rates, UAGC's, rates penalties	4,675	4,677	4,852	5,012	5,091	5,277	5,451	5,558	5,731	5,984	6,090
Targeted rates	18,966	19,748	20,389	21,043	21,721	22,546	23,153	23,657	24,406	25,144	25,422
Subsidies and grants for operating purposes	2,713	3,049	3,083	3,123	3,190	3,260	3,369	3,401	3,476	3,550	3,635
Fees and charges	3,475	4,594	3,992	3,990	4,089	4,195	4,307	4,432	4,564	4,708	4,864
Interest and dividends from investments	641	691	656	644	657	671	690	843	993	1,167	1,361
Fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF OPERATING FUNDING	30,470	32,759	32,972	33,812	34,748	35,949	36,970	37,891	39,170	40,553	41,372
Applications of operating funding											
Payments to staff and suppliers	(24,530)	(24,182)	(25,099)	(25,545)	(26,118)	(26,889)	(27,676)	(28,220)	(29,027)	(29,864)	(30,620)
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	(24,530)	(24,182)	(25,099)	(25,545)	(26,118)	(26,889)	(27,676)	(28,220)	(29,027)	(29,864)	(30,620)
SURPLUS (DEFICIT) OF OPERATING FUNDING	5,940	8,577	7,873	8,267	8,630	9,060	9,294	9,671	10,143	10,689	10,752

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FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Sources of capital funding											
Subsidies and grants for capital expenditure	5,475	7,545	4,956	4,520	4,793	5,348	4,880	5,183	4,918	6,072	5,407
Development and financial contributions	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
TOTAL SOURCES OF CAPITAL FUNDING	5,475	7,545	4,956	4,520	4,793	5,348	4,880	5,183	4,918	6,072	5,407
Applications of capital funding											
Capital expenditure to meet additional demand	(632)	0	0	0	0	0	0	0	0	0	0
Capital expenditure to improve the level of service	(6,382)	(9,904)	(2,905)	(3,372)	(2,070)	(3,510)	(878)	(672)	(670)	(1,374)	(764)
Capital expenditure to replace existing assets	(13,318)	(12,013)	(10,199)	(9,128)	(11,030)	(10,530)	(9,885)	(10,821)	(10,527)	(11,035)	(12,070)
(Increase) decrease in reserves	264	52	19	(7)	(4)	47	(19)	(13)	(10)	(36)	(22)
(Increase) decrease of investments	8,653	5,743	256	(280)	(319)	(415)	(3,392)	(3,348)	(3,854)	(4,316)	(3,303)
TOTAL APPLICATIONS OF CAPITAL FUNDING	(11,415)	(16,122)	(12,829)	(12,787)	(13,423)	(14,408)	(14,174)	(14,854)	(15,061)	(16,761)	(16,159)
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(5,940)	(8,577)	(7,873)	(8,267)	(8,630)	(9,060)	(9,294)	(9,671)	(10,143)	(10,689)	(10,752)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

DETAILED DESCRIPTION OF RATE FUNDING MECHANISMS

Council has set the following rates for the year commencing 1 July 2015 and ending 30 June 2016 in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002. Total rates to be collected by Council is \$27,882,678. The Uniform Annual General Charge makes up \$5,227,500 or 18.7% of this total. All monetary values disclosed are inclusive of GST.

DEFINITIONS

UAGC - A 'Uniform Annual General Charge' is a rate set at a fixed amount and which every SUIP pays.

SUIP - A 'separately used or inhabited part of a rating unit' includes any part or parts of a property that can be separately used or occupied in addition to the principal habitation or use.

'On demand' water supply - A supply which is available on demand directly from the point of supply subject to the agreed level of service.

'Restricted' water supply - A type of water supply connection where a small flow is supplied through a flow control device, and storage is provided by the customer to cater for the customer's demand fluctuations.

COMMUNITY LEADERSHIP

Community Board Targeted Rate

	FIXED CHARGE (\$ PER SUIP)	TOTAL AMOUNT TO BE COLLECTED (\$)
West Otago Community Board	49.60	62,900
Lawrence/Tuapeka Community Board	135.50	122,600
TOTAL		185,500

COMMUNITY BOARDS

Council has set 'Community Board' rates to fund the cost of its two community boards and local projects within the community board areas (for example main street upgrades). The rates are set as a fixed charge per separately used or inhabited part of a

rating unit (SUIP) within each community board area as per the table above:

WEST OTAGO HEALTH TRUST

Council has set a targeted rate per separately used or inhabited part of a rating unit (SUIP) for those within the West Otago Health

Trust service catchment area. The rate is set to fund repayment of loans taken out for Council's grant to West Otago Health for the construction of their facility in Tapanui. The rate is set as a fixed charge of \$68.40 per SUIP. The total amount to be collected is \$87,200.

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UNIFORM ANNUAL GENERAL CHARGE (UAGC)

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Activity	AMOUNT (\$) PER UAGC	TOTAL AMOUNT TO BE COLLECTED (\$)
Council	100.90	1,066,800
Community Development	68.10	719,200
Economic Development	65.80	695,800
Policy and Communication	30.60	323,100
District-Wide Main Street	1.10	11,100
Main Street Improvements	3.40	35,600
Parks, Reserves, Sportsgrounds and Playgrounds	23.60	249,300
Halls and Community Centres	11.80	124,800
Swimming Pools	35.20	371,800
Service and Information Centres	57.80	610,900
Libraries	77.50	819,400
Animal Control	1.30	13,300
Civil Defence & Emergency Services	23.30	246,200
Cemeteries	11.00	116,000
Public Conveniences	39.80	421,000
Environmental Health	13.80	146,600
Rural Fire	9.90	104,600
Waihola Domain & Kaka Point Foreshore	3.90	41,100
Waste Minimisation	7.00	74,400
SUB TOTAL	585.80	6,191,000
Income		
Property	23.60	249,700
General - Petrol Tax and Investment Income	64.80	684,400
In-house Professional Services	2.70	29,400
SUB TOTAL	91.10	963,500
TOTAL	494.70	5,227,500

Council has set a 'UAGC' of \$494.70 on each separately used or inhabited part of a rating unit (SUIP) in the district.

The amount to be collected is \$5,227,500.

The activities that the UAGC is used to fund, as well as the income sources that offset the UAGC, are outlined to the left.

DISTRICT ROADING

Council has set a 'District Roading' rate on every rating unit in the district. The rate is 0.043552 cents per \$1 of capital value.

The amount to be collected is \$3,176,300.

LOCAL ROADING

Council has set a 'Local Roading' Rate on every rating unit in the district. This rate funds the construction and maintenance of roads and footpaths within a locality/rating area. For Balclutha and Milton the local roading rate also includes their portion of costs of funding main street improvements.

The rate is set on a differential basis based on location and incorporates a fixed charge component and a component based on land value. Only one fixed charge component will be charged per rating unit.

The amount to be collected is \$5,550,800.

NEW FOOTPATHS

Council has set a 'New Footpath Rate' to fund repayment of loans taken out for new footpaths.

The rate is set as a fixed charge per separately used or inhabited part of a rating unit (SUIP) in each local roading rating area as per the table to the right:

The total to be collected is \$212,300.

Local Roading Targeted Rate

	FIXED CHARGE (\$) PER RATING UNIT	CENTS PER \$ OF LAND VALUE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	57.50	0.28647	439,000
Clinton	57.50	0.99957	36,800
Kaitangata	57.50	1.45194	115,000
Kaka Point	57.50	0.08790	41,500
Lawrence	57.50	0.27899	67,400
Milton	57.50	0.21487	143,500
Owaka	57.50	0.38624	35,400
Stirling	57.50	0.32886	24,600
Tapanui	57.50	0.45739	56,900
Waihola	57.50	0.06726	22,700
Rural	57.50	0.09088	4,568,000
TOTAL			5,550,800

New Footpaths Targeted Rate

	FIXED CHARGE (\$) PER SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	46.10	99,000
Clinton	13.80	2,600
Kaitangata	17.50	7,500
Kaka Point	27.00	7,600
Lawrence	13.30	4,700
Milton	68.00	74,400
Owaka	39.20	8,100
Stirling	23.30	3,500
Tapanui	10.70	4,900
TOTAL		212,300

URBAN WATER SUPPLY

Council has set a uniform targeted rate for customers who receive potable water from an 'on demand' supply and a uniform targeted rate for customers who receive potable water from a 'restricted' supply. These rates will be set up as a fixed charge for each for each SUIP.

These rates will be further differentiated based on whether the service is actually provided or is just available but not actually connected. The final determination of these rates will also include operating and capital costs.

On demand water rates will be charged for each connection to an unrestricted water supply.

Restricted water rates will be charged to a water supply connection where a small flow is supplied through a flow control device, and storage is provided by the customer to cater for the customer's demand fluctuations.

The restricted rate will be set at 85% of the on demand rate.

Council will spread the implementation of uniform

rates by approximately 1/6 each year for 5 years with full implementation in year 6.

Council will change each of the rates payable in the current 11 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 11 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year.

The total amount to be collected is \$2,921,200.

The rate for each scheme is shown in the table below:

Urban Water Supply Targeted Rate

	FIXED CHARGE (\$) PER CONNECTION	FIXED CHARGE (\$) PER SERVICABLE SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)	
Balclutha	395.20	197.60	826,300	On-demand
Benhar	466.40	00	24,500	On-demand
Clinton	651.00	325.50	121,000	Restricted
Kaitangata	593.10	296.55	264,300	On-demand
Kaka Point	555.00	277.50	143,100	Restricted
Lawrence	649.40	324.70	258,500	On-demand
Milton	657.30	328.65	708,900	On-demand
Owaka	294.70	147.35	62,400	Restricted
Stirling	443.50	211.75	57,000	On-demand
Tapanui	657.30	328.65	357,400	On-demand
Waihola	465.90	232.95	97,800	Restricted
TOTAL			2,921,200	

RURAL WATER SCHEMES

Council has set 'Rural Water Scheme' rates to fund the operation, maintenance and capital expenditure for individual rural water schemes. The total amount to be collected is \$4,591,200. The rate is set as a fixed charge for each unit (one cubic metre of water per day) of water supplied, differentiated by scheme as per the table to the right:

SEWERAGE UPGRADE SUPPORT

Council has set a 'District Sewerage Upgrade Support' rate on every rating unit in the district. This will be used to fund investigations into establishing new sewerage schemes and improving sewage disposal from existing systems. The rate is 0.001106 cents per \$1 of capital value.

The amount to be collected is \$80,600.

SEWERAGE

Council has set a targeted uniform sewerage rate for each separately used or inhabited part of a rating unit (SUIP) that is either connected to one of the following schemes, or for which a connection is available. Council will spread the implementation of the new rates by approximately 1/6 each year for 5 years with full implementation in year 6. Council will change each of the rates payable in the current 11 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 11 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year.

The total amount to be collected is \$2,053,100.

The rate for each scheme is shown in the table to the right:

Rural Water Scheme Targeted Rate

	FIXED CHARGE (\$) PER UNIT SUPPLIED	TOTAL AMOUNT TO BE COLLECTED (\$)
Balmoral 1	292.40	217,800
Balmoral 2	287.80	462,100
Clydevale/Pomahaka	356.00	700,000
Glenkenich	241.50	494,400
Moa Flat	180.20	467,700
North Bruce	247.30	476,900
Richardson	277.30	685,500
South Bruce	162.50	247,900
Tuapeka	314.00	505,800
Waipahi	219.40	173,500
Wangaloa	387.30	159,600
TOTAL		4,591,200

Sewerage Targeted Rate

	FIXED CHARGE (\$) PER CONNECTION	FIXED CHARGE (\$) PER SERVICABLE SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha (including Benhar)	289.70	144.85	596,700
Clinton	501.30	250.65	94,900
Heriot	507.90	0.00	42,200
Kaitangata	352.90	176.45	133,600
Kaka Point	509.80	254.90	142,600
Lawrence	526.60	263.30	177,900
Milton (including Tokoiti)	316.90	158.45	326,700
Owaka (including Pounaweia)	582.00	291.00	145,000
Stirling	582.00	291.00	89,800
Tapanui	367.80	183.90	159,900
Waiholo	466.40	233.20	96,400
TOTAL			2,053,100

SEWERAGE LOAN RATES

Council has set 'Sewerage Loan' rates to repay loans taken out to fund the capital cost of certain sewerage schemes. The rate is set as a fixed charge for each separately used or inhabited part of a rating unit (SUIP) that is either connected to one of the following schemes, or for which a connection is available, that did not elect to make a lump sum contribution. The rate for Balclutha is differentiated based on the provision or availability of the service provided by Council (the categories are "connected" and "serviceable"). The rate for Benhar and Tokoiti is differentiated based on rating area. The total amount to be collected is \$110,100. The rate for each scheme is shown in the table to the right:

Sewerage Capital Targeted Loan Rate

	FIXED CHARGE (\$) PER CONNECTION	FIXED CHARGE (\$) PER SERVICABLE SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	86.40	43.20	47,300
	FIXED CHARGE (\$) PER SERVICABLE SUIP AREA A	FIXED CHARGE (\$) PER SERVICABLE SUIP AREA B	TOTAL AMOUNT TO BE COLLECTED (\$)
Benhar	972.00	885.00	38,200
Tokoiti	755.00	596.00	24,600
TOTAL			110,100

STORMWATER

Council has set a uniform targeted stormwater rate for each separately used or inhabited part of a rating unit (SUIP) that is either connected, or for which a connection is available.

Council will spread the implementation of uniform rates by approximately 1/6 each year for 5 years with full implementation in year 6. Council will change each of the rates payable in the current 13 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 13 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year. The total amount to be collected is \$615,700. The rate for each scheme is shown in the table to the right:

Stormwater Targeted Rate

	FIXED CHARGE (\$) PER CONNECTION	FIXED CHARGE (\$) PER SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	128.90	64.45	224,800
Clinton	123.50	61.75	19,300
Heriot*	23.70	11.85	5,000
Kaitangata	95.80	47.90	30,700
Kaka Point	90.10	45.05	19,400
Lawrence	117.50	58.75	34,400
Milton	202.80	101.40	171,600
Owaka	84.70	42.35	18,100
Pounawea*	23.70	11.85	5,100
Stirling*	23.70	11.85	10,600
Tapanui	127.30	63.65	53,500
Taieri Mouth*	23.70	11.85	9,600
Waihola*	23.70	11.85	13,600
TOTAL			615,700

* Heriot, Pounawea, Stirling, Taieri Mouth and Waihola stormwater rates will take effect from 1 July 2015.

COMMUNITY SERVICES

Council has set a 'Community Services' rate on all rating units in the district. This rate is used to fund Swimming Pools, Town Halls, Community Centres, Parks and Reserves, Sportsgrounds, and in the rural area; Rural Fire.

The amount to be collected is \$1,579,900.

The rate is set on a differential basis based on location and is based on land value as per the table to the right:

Community Services Targeted Rate

	CENTS PER \$ OF LAND VALUE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	0.63653	811,100
Clinton	1.18373	30,400
Kaitangata	0.81958	50,500
Kaka Point	0.29481	9,500
Lawrence	0.26282	44,300
Milton	0.54156	224,700
Owaka	0.41531	26,300
Stirling	0.85836	0
Tapanui	0.48449	33,900
Waihola	0.08418	18,100
Rural	0.00700	331,100
TOTAL		1,579,900

CROSS RECREATION CENTRE

Council has set a 'Cross Recreation Centre' rate to fund repayment of loans taken out for Council's grant towards the construction of the Cross Recreation Centre in Balclutha.

The amount to be collected is \$218,300.

The rate is set as a fixed charge per separately used or inhabited part of a rating unity (SUIP) in the district and is set differentially by location (electoral ward) according to the proximity of the ward to the facility as per the table to the right:

Cross Recreation Centre Targeted Rate

	FIXED CHARGE (\$ PER SUIP)	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	37.30	107,800
Clutha Valley, Kaitangata-Matau	27.90	35,100
Clinton, Catlins	18.60	32,200
Lawrence-Tuapeka, Bruce	11.20	38,500
West Otago	3.70	4,700
TOTAL		218,300

SOLID WASTE MANAGEMENT

A 'Waste Management' rate has been set to fund waste collection and disposal services. This rate is set as a fixed charge of \$136.70 per pair of wheelie bins.

The amount to be collected is \$823,600.

PLANNING/ REGULATORY

Council has set a 'Planning/Regulatory' rate on every rating unit in the district. This will part-fund resource management, building control and environmental health. The rate is 0.006848 cents per \$1 of capital value.

The amount to be collected is \$499,400.

RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER	SEWERAGE	STORM WATER	SOLID WASTE	COMMU- NITY SERVICES	OTHER	TOTAL
Residential - Balclutha											
Land Value	48,000	2014/15 (ACTUAL)	494	325	353	249	126	163	274	50	2,034
Capital Value	195,000	2015/16 (FORECAST)	495	326	395	290	129	137	306	53	2,130
		Change 14/15 To 15/16	1	1	42	41	3	-27	32	3	96
			0.2%	0.3%	12.0%	16.3%	2.2%	-16.3%	11.6%	5.8%	4.7%

Residential - Clinton

Land Value	9,000	2014/15 (ACTUAL)	494	195	661	515	120	163	104	23	2,275
Capital Value	60,000	2015/16 (FORECAST)	495	187	651	501	124	137	106	23	2,225
		Change 14/15 To 15/16	1	-8	-10	-13	4	-27	2	0	-50
			0.2%	-4.0%	-1.5%	-2.6%	3.2%	-16.3%	2.1%	2.1%	-2.2%

Residential - Heriot

Land Value	9,000	2014/15 (ACTUAL)	494	133	362	465	-	163	1	131	1,749
Capital Value	149,000	2015/16 (FORECAST)	495	131	361	508	24	137	1	134	1,789
		Change 14/15 To 15/16	1	-2	-1	43	24	-27	-0	3	40
			0.2%	-2.2%	-0.4%	9.3%	new	-16.3%	-35.1%	2.1%	2.3%

Residential - Kaitangata

Land Value	10,000	2014/15 (ACTUAL)	494	293	590	334	87	163	232	33	2,224
Capital Value	84,000	2015/16 (FORECAST)	495	257	593	353	96	137	82	35	2,047
		Change 14/15 To 15/16	1	-36	3	19	9	-27	-150	2	-178
			0.2%	-12.3%	0.5%	5.8%	10.8%	-16.3%	-64.7%	5.3%	-8.0%

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RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER SEWERAGE	STORM WATER	SOLID WASTE	COMMU- NITY SERVICES	OTHER	TOTAL	
Residential - Kaka Point											
Land Value	140,000	2014/15 (ACTUAL)	494	337	558	485	80	163	355	57	2,527
Capital Value	285,000	2015/16 (FORECAST)	495	332	555	510	90	137	412	60	2,591
		Change 14/15 To 15/16	1	-5	-3	25	10	-27	57	3	63
			0.2%	-1.5%	-0.5%	5.2%	13.2%	-16.3%	16.2%	5.9%	2.5%

Residential - Lawrence

Land Value	46,000	2014/15 (ACTUAL)	494	273	653	568	113	163	80	93	2,436
Capital Value	165,000	2015/16 (FORECAST)	495	271	649	527	118	137	121	160	2,477
		Change 14/15 To 15/16	1	-2	-3	-41	5	-27	41	67	41
			0.2%	-0.9%	-0.5%	-7.2%	4.5%	-16.3%	51.4%	72.1%	1.7%

Residential - Milton

Land Value	40,000	2014/15 (ACTUAL)	494	287	661	282	215	163	184	23	2,308
Capital Value	165,000	2015/16 (FORECAST)	495	283	657	317	203	137	216	24	2,333
		Change 14/15 To 15/16	1	-3	-4	35	-12	-27	32	1	24
			0.2%	-1.2%	-0.6%	12.5%	-5.6%	-16.3%	17.4%	6.3%	1.1%

Residential - Owaka

Land Value	25,000	2014/15 (ACTUAL)	494	244	251	586	73	163	100	26	1,936
Capital Value	105,000	2015/16 (FORECAST)	495	239	295	582	85	137	104	27	1,963
		Change 14/15 To 15/16	1	-5	44	-4	12	-27	4	1	27
			0.2%	-1.9%	17.6%	-0.6%	15.8%	-16.3%	3.5%	4.4%	1.4%

RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER	SEWERAGE	STORM WATER	SOLID WASTE	COMMU- NITY SERVICES	OTHER	TOTAL
Residential - Pounaweia											
Land Value	62,000	2014/15 (ACTUAL)	494	257	-	-	-	163	8	36	957
Capital Value	225,000	2015/16 (FORECAST)	495	212	-	-	24	137	4	43	908
		Change 14/15 To 15/16	1	-45	-	-	24	-27	-3	8	-49
			0.2%	-17.5%	-	-	new	-16.3%	-42.2%	21.6%	-5.1%

Residential - Stirling

Land Value	36,000	2014/15 (ACTUAL)	494	289	387	586	-	163	290	50	2,259
Capital Value	200,000	2015/16 (FORECAST)	495	286	424	582	24	137	309	53	2,309
		Change 14/15 To 15/16	1	-3	37	-4	24	-27	19	3	50
			0.2%	-0.9%	9.5%	-0.6%	new	-16.3%	6.5%	5.7%	2.2%

Residential - Taieri Mouth

Land Value	113,000	2014/15 (ACTUAL)	494	341	-	-	-	-	11	36	881
Capital Value	350,000	2015/16 (FORECAST)	495	313	-	-	24	-	8	39	878
		Change 14/15 To 15/16	1	-28	-	-	24	-	-3	3	-3
			0.2%	-8.2%	-	-	new	-	-26.6%	8.9%	-0.3%

Residential - Tapanui

Land Value	14,000	2014/15 (ACTUAL)	494	201	662	371	124	163	56	131	2,202
Capital Value	160,000	2015/16 (FORECAST)	495	202	657	368	127	137	68	135	2,188
		Change 14/15 To 15/16	1	1	-4	-3	3	-27	12	4	-13
			0.2%	0.5%	-0.6%	-0.9%	2.5%	-16.3%	21.6%	2.7%	-0.6%

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RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER	SEWERAGE	STORM WATER	SOLID WASTE	COMMUN- NITY SERVICES	OTHER	TOTAL
Residential - Waihola											
Land Value	76,000	2014/15 (ACTUAL)	494	201	456	498	-	163	78	25	1,916
Capital Value	180,000	2015/16 (FORECAST)	495	187	466	466	24	137	78	64	1,864
		Change 14/15 To 15/16	1	-14	10	-32	24	-27	-	39	-52
			0.2%	-7.0%	2.2%	-6.4%	new	-16.3%	0.0%	151.4%	-2.7%

Lifestyle

Land Value	300,000	2014/15 (ACTUAL)	494	574	-	-	-	163	26	157	1,413
Capital Value	180,000	2015/16 (FORECAST)	495	570	-	-	-	137	21	166	1,388
		Change 14/15 To 15/16	1	-4	-	-	-	-27	-5	9	-25
			0.2%	-0.7%	-	-	-	-16.3%	-17.7%	5.6%	-1.8%

Farming - Dairy

Land Value	1,820,000	2014/15 (ACTUAL)	494	2,805	-	-	-	-	162	150	3,611
Capital Value	2,250,000	2015/16 (FORECAST)	495	2,691	-	-	-	-	127	179	3,492
		Change 14/15 To 15/16	1	-114	-	-	-	-	-35	29	-119
			0.2%	-4.1%	-	-	-	-	-21.4%	19.2%	-3.3%

Farming - Dairy

Land Value	4,710,000	2014/15 (ACTUAL)	494	6,572	-	-	-	-	371	378	7,815
Capital Value	6,210,000	2015/16 (FORECAST)	495	7,042	-	-	-	-	330	330	8,361
		Change 14/15 To 15/16	1	470	-	-	-	-	-41	-48	546
			0.2%	7.2%	-	-	-	-	-11.2%	-12.8%	7.0%

RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER SEWERAGE	STORM WATER	SOLID WASTE	COMMU- NITY SERVICES	OTHER	TOTAL
Farming - Sheep & Beef										
Land Value	2,270,000	2014/15 (ACTUAL)	494	3,557	-	-	-	197	208	4,454
Capital Value	3,470,000	2015/16 (FORECAST)	495	3,632	-	-	-	159	276	4,561
		Change 14/15 To 15/16	1	75	-	-	-	-38	68	107
			0.2%	2.1%	-	-	-	-19.2%	32.9%	2.4%

Farming - Sheep & Beef

Land Value	6,525,000	2014/15 (ACTUAL)	494	7,443	-	-	-	442	393	8,772
Capital Value	5,625,000	2015/16 (FORECAST)	495	8,011	-	-	-	394	519	9,419
		Change 14/15 To 15/16	1	568	-	-	-	-49	126	647
			0.2%	7.6%	-	-	-	-11.0%	32.0%	7.4%

Forestry

Land Value	1,230,000	2014/15 (ACTUAL)	494	2,000	-	-	-	120	123	2,737
Capital Value	1,310,000	2015/16 (FORECAST)	495	1,746	-	-	-	86	132	2,459
		Change 14/15 To 15/16	1	-254	-	-	-	-34	9	-278
			0.2%	-12.7%	-	-	-	-28.5%	7.2%	-10.2%

Commercial

Land Value	410,000	2014/15 (ACTUAL)	494	3,059	706	249	126	-	2,452	312	7,397
Capital Value	3,500,000	2015/16 (FORECAST)	495	2,802	790	290	129	-	2,610	316	7,432
		Change 14/15 To 15/16	1	-256	85	41	3	-	158	4	35
			0.2%	-8.4%	12.0%	16.3%	2.2%	-	6.4%	1.3%	0.5%

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RATES EXAMPLES

			GENERAL (UAGC)	ROADING	WATER SEWERAGE	STORM WATER	SOLID WASTE	COMMU- NITY SERVICES	OTHER	TOTAL	
Commercial											
Land Value	390,000	2014/15 (ACTUAL)	494	1,485	353	249	126	-	2,338	87	5,132
Capital Value	690,000	2015/16 (FORECAST)	495	1,475	395	290	129	-	2,483	92	5,358
		Change 14/15 To 15/16	1	-10	42	41	3	-	145	5	226
			0.2%	-0.7%	12.0%	16.3%	2.2%	-	6.2%	5.5%	4.4%

Industrial

Land Value	325,000	2014/15 (ACTUAL)	494	1,504	353	498	126	163	1,939	111	5,188
Capital Value	1,000,000	2015/16 (FORECAST)	495	1,470	395	579	129	137	2,069	117	5,391
		Change 14/15 To 15/16	1	-33	42	81	3	-27	130	5	203
			0.2%	-2.2%	12.0%	16.3%	2.2%	-16.3%	6.7%	4.8%	3.9%

Industrial

Land Value	135,000	2014/15 (ACTUAL)	494	1,613	661	282	215	-	15	213	3,491
Capital Value	2,500,000	2015/16 (FORECAST)	495	1,337	657	317	203	-	9	210	3,228
		Change 14/15 To 15/16	1	-276	-4	35	-12	-	-5	-3	-263
			0.2%	-17.1%	-0.6%	12.5%	-5.6%	-	-36.1%	-1.3%	-7.5%

REVENUE AND FINANCING POLICY

PURPOSE

The Revenue and Financing Policy outlines the funding mechanisms that Council has available to fund its operating and capital expenditure and how it intends to utilise each of them. The policy is a requirement of Section 102 of the Local Government Act 2002 (LGA).

The policy also identifies how Council intends to fund each of its activities, and outlines the considerations and rationale for the funding sources chosen.

Council has developed this policy in two steps. The first was to consider how Council funds each individual activity. The second was to look at the overall impact of the liability of these allocations on our community.

We are proposing some modifications to how we rate for urban water, sewerage and stormwater. Instead of a scheme-by-scheme user pays approach, Council is proposing a 'same service – same charge' approach. This would mean the introduction of uniform charges, regardless of whereabouts in the district the service is provided.

FUNDING OF OPERATING EXPENDITURE

Council is required to ensure that each year's projected operating revenues are sufficient to meet the year's projected operating expenses. It may only vary this when it is financially prudent to do so, having regard to the requirements in section 100(2) of the Local Government Act 2002.

Operating expenditure is primarily funded through general and targeted rates, fees and charges. External funding assistance is provided for roading and waste minimisation. In some cases special or reserve funds may be used. Council will generate cash resources from operating revenue that can be used for capital renewal expenditure or debt repayment.

FUNDING OF CAPITAL EXPENDITURE

In terms of capital expenditure, assets generally provide benefit for a longer period of time than when the actual expenditure on the asset is spent. In this case they are funded over a period of time as opposed to in the year they are acquired. The

exception to this is in the roading activity area where, apart from bridges, the annual capital expenditure generally matches the annual depreciation. Most capital expenditure (both renewals and new capital) is funded via depreciation reserves or special funds, or a combination of depreciation reserves, special funds and borrowing (depending upon the scale of the project). In some instances, e.g. a new water or sewerage scheme, a lump sum contribution is made by the consumers receiving the new service. Depending on the activity Financial Contributions are also used to fund capital expenditure.

DEPRECIATION RESERVES

Depreciation is a measure of the decline in service level of an asset or group of assets. Any depreciation funded for Council assets is placed in an interest-earning depreciation reserve. The reserves are then used to fund the future costs of renewing the infrastructural assets as per Council's activity management plans.

SPECIAL FUNDS

Special funds are also used for funding new capital or renewals. These funds have been contributed to from a number of sources, for example, historical funds, proceeds from the sale of endowment land, sale of assets and power shares.

BORROWING

Where depreciation reserves or special funds are not sufficient to meet all the costs of a project, capital expenditure is generally funded by borrowing. This provides the immediate funding required for an asset, with the debt then being repaid over time through rates. The time period of the loan repayment is generally set over a period where the benefit of the asset will be realised, although this may be shorter for long-life assets, i.e. the loan is repaid before the end of the asset's useful life. Unless specifically stated in the 'details of funding for Council activities' section below, debt repayment becomes part of the operating costs and thus is funded from the same sources, in the same ratio, as for operating expenditure, over the life of the loan.

OVERVIEW OF FUNDING MECHANISMS USED BY COUNCIL

The mechanisms that Council can use to fund its capital and operating costs are set out by section 103(2) of the LGA. Council intends to use these mechanisms in the following ways:

UNIFORM ANNUAL GENERAL CHARGE

A uniform annual general charge (UAGC) is used to fund all or part of activities that provide a relatively equal benefit to the whole district. The UAGC is a fixed amount which is set on each separately used or inhabited part (SUIP) of a rating unit in the district. A SUIP means – a 'separately used or inhabited part of a rating unit' (SUIP) includes any part or parts of a

property that can be separately used or occupied in addition to the principal habitation or use.

TARGETED RATES

Some targeted rates are set on all rateable properties in the district to part fund some activities that have an element of district-wide benefit, including roading, sewerage treatment upgrades, resource management and building control activities. These rates are set as a rate per dollar of capital value, which best reflects the contribution towards the need for the activities, and the benefit received from the activities.

Other targeted rates are used to fund all or part of activities that provide benefit to an identifiable community or group of ratepayers. These rates are targeted at those who benefit from the activity or who demand the level of service (identified by location or availability of service). They are either based on land value or are a uniform charge.

VOLUNTARY TARGETED RATES

From time to time Council may offer to fund a specific activity on behalf of individual ratepayers because the activity meets Council objectives as well as being beneficial to the ratepayer. If such funds are made available they will be recovered over a specified time frame, at a specified interest rate, by way of a targeted rate. The scheme itself is self-funding, ratepayers who take up the offer repay the financial assistance (plus interest) through a targeted rate.

LAND HOLDING GREATER THAN 1.2 HECTARES WITHIN TOWNSHIP BOUNDARIES

Council has defined areas of rateable land for the local roading and community services rate. For rural

land that falls within township boundaries, Council has applied a mechanism whereby areas equal to or greater than 1.2 hectares are split for rating purposes into an "a" and "b" assessment. The "a" assessment is calculated using the township rate (house and/or section) whilst the "b" assessment (remainder of the land) is calculated using the rural rate.

FEES AND CHARGES

Fees and charges are utilised where practical if there is an identifiable private benefit from an activity, or where the actions of an individual create the need for the activity. Examples of fees include swimming pool charges, landfill fees, building consent fees and dog registration fees. When setting fees and charges, Council takes into account the effect the fees and charges would have on the accessibility of the facilities and services.

LUMP SUM CONTRIBUTIONS

Lump sum contributions are utilised for some larger projects where new capital projects are loan funded. Ratepayers are given a choice of paying their share of the capital cost upfront in a voluntary lump sum, or paying through rates over the life of the loan. The decision whether to offer a voluntary lump sum option is determined on a project-by-project basis.

INTEREST AND DIVIDENDS FROM INVESTMENTS

Council receives interest on its special funds and depreciation reserves. Interest income from Council's general fund is used to offset the UAGC and thus reduce the rates that would otherwise be levied to fund Council's activities.

BORROWING

Council borrows internally from its available reserves to fund various infrastructural asset renewals and upgrades. Borrowing is also undertaken from time to time in other circumstances, e.g. the West Otago Health grant.

The primary objective in borrowing internally is to use reserves effectively, by establishing a portfolio that provides funding to internal activity centres. This creates operational efficiencies as savings are created by eliminating the margin that Council would pay on external borrowings.

External borrowing is also a funding mechanism available to Council. However, as Council is in a position to do so, it prefers to borrow internally.

PROCEEDS FROM ASSET SALES

Proceeds from asset sales are allocated to special funds, and are generally used for the acquisition of new assets.

DEVELOPMENT CONTRIBUTIONS

Under the Local Government Act 2002, Council is entitled to apply development contributions to new development. At this time Council has chosen not have a development contribution policy, in favour of financial contributions under the Resource Management Act 1991.

FINANCIAL CONTRIBUTIONS UNDER THE RESOURCE MANAGEMENT ACT 1991

Under the Resource Management Act 1991 Council is entitled to various financial contributions where an activity or development would impact on the physical environment (including Council

infrastructure). Contributions, for example include a capital contribution and connection cost for a new consumer connecting to Council infrastructure.

GRANTS AND SUBSIDIES (EXTERNAL FUNDING ASSISTANCE)

Council receives external funding assistance for a number of activities or projects, largely from central government. The main source of government funding comes from the New Zealand Transport Agency (NZTA) for roading. A baseline level of funding is received for the maintenance of the existing roading system, while funding for new projects may be received depending upon the costs and benefits of each project.

Council also receives a proportion of waste minimisation levies to assist with waste minimisation activities throughout the district.

External funding is sought in other areas where possible. For example, funding from the Ministry of Health has been provided in the past for fluoridation and water treatment upgrades.

RESERVE FUNDS (SPECIAL AND DEPRECIATION)

Council has a number of reserve funds. These funds generally assist future capital expenditure. Interest from these funds is sometimes used to offset operating costs, e.g. water charges.

DETAILS OF FUNDING FOR COUNCIL ACTIVITIES

This section outlines Council's policies for funding each of its activities.

Council considered the matters listed in section 101(3) of the LGA when determining the most appropriate funding mechanisms for each of its activities. These matters are listed and explained under the following headings:

ACTIVITY DESCRIPTION

A brief description of the activity. For further information about each of Council's activities see the 'Council Activities' section of the Long Term Plan.

COMMUNITY OUTCOMES

The community outcome the activity primarily contributes to. For a further explanation of these outcomes, and how Council's activities contribute to these, see the 'Community Outcomes' and 'Council Activities' sections of the Long Term Plan.

WHO BENEFITS?

Who receives the benefit from the activity, either the community as a whole, an identifiable part of the community or individuals.

TIMEFRAME OF BENEFITS

The time period over which the benefits of expenditure on the activity will be recognised.

CONTRIBUTION TO THE NEED FOR THE ACTIVITY

The extent to which an action or inaction of particular individuals or group contribute to the need for Council to carry out the activity.

COSTS AND BENEFITS OF DISTINCT FUNDING

The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

The funding mechanisms shown below are for Council's share of the cost of the activities only (i.e. after any external funding is taken into account).

DEFINITIONS

UAGC – A 'Uniform Annual General Charge' is a rate set at a fixed amount and which every SUIP pays.

SUIP – A 'separately used or inhabited part of a rating unit' includes any part or parts of a property that can be separately used or occupied in addition to the principal habitation or use.

'On demand' water supply – A supply which is available on demand directly from the point of supply subject to the agreed level of service.

'Restricted' water supply – A type of water supply connection where a small flow is supplied through a flow control device, and storage is provided by the customer to cater for the customer's demand fluctuations.

COMMUNITY LEADERSHIP

GOVERNANCE

Activity Description

Governance of Council and Community Boards, including elected members, operation of formal meeting processes, elections and newsletters.

Community Outcome

A well informed community where people have their say in decisions that affect them.

Who benefits?

All residents and ratepayers in the communities represented.

Timeframe of benefits

Governance is an ongoing cost with benefits apparent in the year of expenditure.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding for Council. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify the Council/Governance component. Distinct funding of community boards enables ratepayers in those areas to clearly identify their cost.

Funding methods

Council: 100% UAGC; Community Boards: 100%

targeted uniform rate per SUIP.

Rationale

Governance is provided for the benefit of the community as a whole, and therefore is funded by the whole district. Community boards provide benefit to the communities within their areas, and so are funded by those communities.

WEST OTAGO HEALTH

Activity Description

Provision of a one-off grant to help fund construction of a proposed health centre in Tapanui.

Community Outcome

A safe and supportive community.

Who benefits?

Everyone in the West Otago health service area would benefit. Users of the facility will directly benefit.

Timeframe of benefits

Long term.

Contribution to need

Stakeholders in the West Otago Health service area contribute to the need for this activity.

Costs and benefits of distinct funding

Distinct funding ensures that only those in the area of benefit contribute, and that the contribution can clearly be identified on rates invoices.

Funding methods

100% uniform targeted rate per SUIP.

Rationale

A uniform contribution from ratepayers in the area of benefit is deemed to be the fairest way to fund the grant.

ECONOMIC & COMMUNITY DEVELOPMENT

ECONOMIC DEVELOPMENT

Activity Description

Fostering economic development within the district.

Community Outcome

An economic environment that encourages growth in a way which sustainably supports the community.

Who benefits?

Primarily a district-wide benefit from the district retaining and attracting businesses, which provide employment and contribute towards rates. Some private benefit to businesses.

Timeframe of benefits

Currently an ongoing cost, with the majority of benefits being apparent in the year of expenditure.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

100% UAGC.

Rationale

Largely a public benefit, therefore it is funded district-wide, through the UAGC.

COMMUNITY DEVELOPMENT

Activity Description

Supporting the provision of public services to the community through activities such as youth development and provision of grants to community groups.

Community Outcome

A safe and supportive community.

Who benefits?

Community-wide benefit.

Timeframe of benefits

The majority of benefits are apparent in the year of expenditure.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

100% UAGC.

Rationale

Largely a public benefit, therefore it is funded district-wide, through the UAGC.

ROADING

Activity Description

The provision, operation and management of the local roading network, including roads, bridges, streetscapes and footpaths.

Community Outcome

Roading infrastructure that sustainably supports the community and economy.

Who benefits?

The roading network provides national, regional and local benefits.

Timeframe of benefits

Long term.

Contribution to need

All residents and ratepayers contribute to varying degrees. At this stage differentials depending on industry are not applied, e.g for higher impact users such as forestry and dairying.

Costs and benefits of distinct funding

Distinct funding enables a split between district and local funding. Due to the size of the roading rates requirement it is desirable to have roading rates highlighted separately.

Funding methods

Roads and bridges: A substantial amount is funded

by financial assistance from NZTA, with the balance being split between district and local roading rates based on the district/local benefit of each road.

For the balance funded by Council there is a district-wide roading rate, based on capital value, which funds 37% of Council's costs. This includes 90% of arterial roads, 50% of collector roads and 10% of local roads.

The remaining 63% of the rates requirement is funded by a targeted rate differentiated on location (11 areas) made up of a minimum charge with the remainder based on land value. Each area funds a share of the local roading rate based on the value and depreciation rates of the roading assets within that area and the proportion of district-wide vs. local benefit.

District-wide main street: 20% UAGC, with 80% of Balclutha and Milton costs on the local roading rate (LV based) and 80% of Lawrence and Tapanui costs on a uniform electoral ward based rate.

New footpaths: A uniform rate per SUIP on those in the rating area benefiting from new footpaths.

Rationale

The combination of funding mechanisms reflects the access to, and benefit gained from the roading network.

WATER

URBAN WATER

Activity Description

Provision of reticulated potable water supplies to

urban areas.

Community Outcome

Water services that sustainably support the community and economy.

Who benefits?

Private benefit for those who obtain and use water. Some benefit to those whose properties have the ability to connect to a scheme. General public benefit for public health and fire-fighting purposes.

Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

Contribution to need

All urban residents and ratepayers.

Costs and benefits of distinct funding
Distinct funding enables the private benefit to those who receive potable water supply to be recognised.

Funding methods

Council will have a uniform targeted rate for customers who receive potable water from an 'on demand' supply and a uniform targeted rate for customers who receive potable water from a 'restricted' supply. These rates will be further differentiated based on whether the service is actually provided or is just available but not actually connected. The final determination of these rates will also include operating and capital costs.

On demand water rates will be charged for each connection to an unrestricted water supply.

Restricted water rates will be charged to a water supply connection where a small flow is supplied through a flow control device, and storage is pro-

vided by the customer to cater for the customer's demand fluctuations. The restricted rate will be set at less than the on demand rate, the percentage determined by Council each year in adopting the Funding Impact Statement (FIS).

Council will fund 100% of this activity from urban water rates.

Council will spread the implementation of uniform rates by approximately 1/6 each year for 5 years with full implementation in year 6. Council will change each of the rates payable in the current 11 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 11 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year.

The rates will be determined by Council each year in respective Long Term Plan, or the Annual Plan, and the FIS.

Rationale

User pays district-wide across all urban users facilitates efficient use of resources.

RURAL WATER

Activity Description

Rural water schemes which provide water primarily for stock but also for domestic consumption. These rates will be set as a fixed charge for each SUIP.

Community Outcome

Water services that sustainably support the community and economy.

Who benefits?

Private benefit for those who obtain and use water. A general public benefit for public health and fire fighting purposes and from supporting the district's

economy.

Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

Contribution to need

Property owners who require water to enable intensive use of their land.

Costs and benefits of distinct funding

Each scheme is operated and funded as a standalone entity. This enables the cost of each scheme to be paid for by those who benefit from it.

Funding methods

100% targeted rate per unit of water supplied differentiated by scheme.

Rationale

User pays ensures efficient use of resources, with consumers only demanding what is affordable and sustainable.

SEWERAGE

Activity Description

Provision of sewage reticulation and treatment facilities throughout the district.

Community Outcome

Water services that sustainably support the community and economy.

Who benefits?

Private benefit for those whose sewage is removed, treated and disposed of. There is also wider public health and environmental benefits from safe and appropriate sewage disposal.

Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

Contribution to need

Those without suitable private sewage disposal systems.

Costs and benefits of distinct funding

Distinct funding enables the private benefit to those who receive sewerage services to be recognised.

Funding methods

Council will have a uniform targeted sewerage rate for each separately used or inhabited part of a rating unit (SUIP) that is either connected, or for which a connection is available. The final determination of these rates will also include operating and capital costs.

Capital costs of treatment upgrades: 10% district-wide assistance (based on CV) with remainder funded as per operating costs.

Capital costs of reticulation extensions for Benhar and Tokoiti: 10% district-wide assistance (based on CV), 40% uniform targeted rate on all sewerage ratepayers and 50% uniform targeted rate on all connections to the new reticulation.

Council will spread the implementation of the new rates by approximately 1/6 each year for 5 years with

full implementation in year 6. Council will change each of the rates payable in the current 11 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 11 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year.

The rates will be determined by Council each year in respective Long Term Plan, or the Annual Plan, and the FIS.

Rationale

Benefit is largely private so the activity is predominantly user pays. The wider benefit of safe sewage disposal is reflected by wider contribution to treatment upgrades and reticulation extensions for Benhar, Tokoiti and Pounaweia.

STORMWATER

Activity Description

Stormwater reticulation in a number of urban areas and minor stormwater works in some rural areas.

Community Outcome

Water services that sustainably support the community and economy.

Who benefits?

Those whose properties are protected by stormwater drainage.

Timeframe of benefits

Short term benefit from expenditure on operating costs, with longer-term benefits from expenditure on capital.

Contribution to need

Property owners whose properties contribute to stormwater run-off where there is a demonstrated need for a public stormwater system.

Costs and benefits of distinct funding

Distinct funding enables the private benefit to those who receive stormwater protection to be recognised.

Funding methods

Council will have a uniform targeted stormwater rate for each separately used or inhabited part of a rating unit (SUIP) that is either connected, or for which a connection is available. The final determination of these rates will also include operating and capital costs.

From 1 July 2015 Council will extend the funding of stormwater to the following areas with stormwater infrastructure: Heriot, Pounaweia, Stirling, Taieri Mouth and Waihola.

Maps detailing the areas are attached with this policy.

Council will spread the implementation of uniform rates by approximately 1/6 each year for 5 years with full implementation in year 6. Council will change each of the rates payable in the current 13 areas by 1/6 every year either up or down depending on what the uniform rate will be. This means Council will maintain a differentiated rate for 5 years for the 13 areas with uniform targeted rates commencing in year 6, the 2020/21 financial year.

The rates will be determined by Council each year in respective Long Term Plan, or the Annual Plan, and the FIS.

Rationale

Those who benefit from the provision and

development of stormwater schemes in urban areas pay for those costs across the district.

individual components.

Funding methods

5-10% Fees and charges; 90-95% UAGC.

Rationale

The cost of the service does not change significantly as use increases or decreases, but increasing fees can reduce access for some community members. To allow full accessibility there are no fees for core services. Funding the core services through the UAGC recognises the public benefit.

SERVICE AND INFORMATION CENTRES

Activity Description

Visitor information centres for visitors and residents and service centres for ratepayers.

Community Outcome

Community facilities that sustainably benefit users and the wider community.

Who benefits?

Private benefit to those who use information centres, as well as tourist-reliant businesses whose information is provided to customers. The community in general also benefits from the success of the tourism industry and the availability of Council service points.

Timeframe of benefits

An ongoing activity with the benefit of operating expenditure being realised in the year of expenditure and the benefit of capital expenditure is realised over a longer timeframe.

COMMUNITY SERVICES

LIBRARIES

Activity Description

Provision of library services through the central Balclutha library and four branch libraries.

Outcome

Community facilities that sustainably benefit users and the wider community.

Who benefits?

Primarily a public benefit. All members of the community have access to the facilities and the whole community benefits from having such facilities provided. 58% of residents are currently members.

Timeframe of benefits

An ongoing activity with benefit largely being realised in the year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify

Contribution to need

All residents and ratepayers.
Costs and benefits of distinct funding

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

Funding methods

5-10% Fees and charges; 90-95% UAGC.

Rationale

While there is private benefit from using information centres, such services are generally not charged for within New Zealand. The district as a whole benefits from the tourism industry and the information centres facilitate this. The Council service centre functions also provide a district-wide benefit.

SWIMMING POOLS

Activity Description

Provision of swimming pools in some of the district's larger towns.

Community Outcome

Community facilities that sustainably benefit users and the wider community.

Who benefits?

Private benefit to pool users. Public benefit from having a facility that provides recreation opportunities and teaches water safety. Those in closer proximity to a pool have greater accessibility and are likely to have higher use of, and benefit from the facility.

Timeframe of benefits

An ongoing activity with the benefit of operating expenditure being realised in the year of expenditure and the benefit of capital expenditure is realised over a longer timeframe.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

Funding methods

10-15% Fees and charges; 30-31% UAGC; 55-59% targeted LV based rate (community services rate).

Rationale

The combination of private and public benefits is reflected in the funding methods. If fees were set too high it may be unaffordable for some groups within the community and would lead to significant reductions in usage.

PARKS & RESERVES

Activity Description

Provision of greenspaces including parks, reserves, playgrounds and sportsgrounds.

Community Outcome

Community facilities that sustainably benefit users and the wider community.

Who benefits?

Public benefit from having the facilities available. Those in closer proximity to a park, reserve or playground have greater accessibility and are likely to have higher use of, and benefit from the facility.

Timeframe of benefits

An ongoing activity with benefits largely being realised in the year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

Funding methods

Parks, Reserves and Playgrounds: 35% UAGC, 65% targeted LV based rate (community services rate).

Sportsgrounds: 3-7% fees and charges, 33-34% UAGC, 60-63% targeted LV based rate (community services rate).

Waiholo Domain: 65% UAGC, 35% targeted LV based rate (Waiholo community services rate).

Kaka Point Foreshore: 27% UAGC, 63% targeted LV based rate (community services rate).

Rationale

District-wide funding recognises the wide public

benefit gained from parks, reserves and playgrounds. The majority of the cost is funded by the local community ensuring that communities only demand the level of service they can afford. Some fees and charges for sports groups to recognise that they have exclusive use of the sportsgrounds during their booking period.

PUBLIC CONVENIENCES

Activity Description

Provision of public conveniences and campervan dump stations throughout the district.

Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

Who benefits?

Private benefit to users of the facilities, Public benefit from providing such facilities to travellers and from having a hygienic environment.

Timeframe of benefits

An ongoing activity with benefit largely being realised in the year of expenditure. The benefit of capital expenditure is realised over a longer timeframe.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

Funding methods

100% UAGC.

Rationale

A uniform, district-wide charge is the fairest option since fees and charges are not realistic or would be unlikely to be economic to apply.

CEMETERIES

Activity Description

Provision, maintenance and operation of cemeteries and maintenance of the district's monuments.

Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

Who benefits?

Private benefit to the families of deceased. Public benefit in providing respectful treatment of the deceased who form part of the community's heritage. Public health benefits from ensuring properly managed and controlled burials and cemetery sites.

Timeframe of benefits

Majority of expenditure is on operating costs, with the benefit being realised in the year of expenditure. There are also longer term benefits from capital expenditure.

Contribution to need

All ratepayers and residents.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC

is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

55% Fees and Charges; 45% UAGC.

Rationale

The funding split recognises direct private benefits along with wider public benefits. Ability to pay is partly recognised by keeping burial fees at an affordable level.

HALLS & COMMUNITY CENTRES

Activity Description

Funding of halls and community centres throughout the district.

Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

Who benefits?

Public benefit from having access to the facilities. Those in closer proximity to a hall or community centre have greater accessibility and are likely to have higher use of, and benefit from the facility.

Timeframe of benefits

An ongoing activity with the benefit of operating expenditure being realised in the year of expenditure and the benefit of capital expenditure is realised over a longer timeframe.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised and the activities funded by the community services rate are listed in Annual and Long Term Plans and on rates assessments.

Funding methods

12-18% fees and charges; 25-35% UAGC; 50-60% targeted LV based rate (community services rate).

Rationale

The primary benefit of most halls is to the community in which it is located. Therefore local communities fund the majority of the cost of their halls. Any substantial increase in the level of user charges will limit accessibility for some members of the public.

COMMUNITY HOUSING AND OTHER PROPERTY

Activity Description

Provision and maintenance of community housing units throughout the district. This area also includes lease-hold land, endowment land and other property.

Community Outcome

A safe and supportive community.

Who benefits?

Mostly a private benefit to tenants. There is also public benefit from having appropriate housing

available to people who may not easily be able to access private sector housing.

Timeframe of benefits

Long term.

Contribution to need

Residents who have difficulty finding appropriate housing in the market.

Costs and benefits of distinct funding

This activity is self-funding there is no requirement for rates funding.

Funding methods

100% fees and charges (rentals).

Rationale

Due to a significant private benefit, the community housing units are fully self-funded through user charges. User charges (rentals) are set at market rates to cover the cost of maintaining and upgrading the facilities.

CROSS RECREATION CENTRE

Activity Description

Grant towards construction of the multi-purpose Cross Recreation Centre.

Community Outcome

Community facilities that sustainably provide benefit to users and the wider community.

Who benefits?

All residents.

Timeframe of benefits

Long term.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

Distinct funding enables a proximity based rate structure and provides greater transparency.

Funding methods

100% uniform targeted rate per SUIP by electoral ward with cost apportioned by proximity to facility.

Rationale

Although the facility provides district-wide benefits, those who live closer to the facility have greater accessibility and likelihood of use and benefit. Therefore, the wards closest to the facility pay a greater share than those further away.

SOLID WASTE MANAGEMENT

WASTE COLLECTION AND DISPOSAL

Activity Description

Solid Waste collection and disposal services, including the operation of a kerbside collection service, waste transfer stations and Mt Cooe landfill.

Community Outcome

A sustainable environment that promotes a clean, green image.

Who benefits?

Private benefit to those whose recyclables and residual waste is disposed of. Also a public benefit from ensuring that waste is dealt with safely without damaging the environment or public health.

Timeframe of benefits

Short term, with some longer term benefits from the provision of the landfill.

Contribution to need

All of those who use the waste disposal services or facilities.

Costs and benefits of distinct funding

Distinct funding enables the private benefit of the kerbside collection to be recognised. Efficiencies are also gained from this being provided across the district by a single kerbside provider.

Funding methods

30% targeted uniform rate per SUIP (based on

availability of kerbside collection service); 70% Fees and charges (use of landfill and transfer stations).

Rationale

User pays ensures that the cost of waste disposal is attributed to those who create the waste and provides an incentive to reduce waste created. Waste Minimisation.

Activity Description

Waste minimisation activities, including education programmes and drop-off facilities for recyclables.

Community Outcome

A sustainable environment that promotes a clean, green image.

Who benefits?

Primarily a public benefit from reduced waste to landfill. Some private benefit to those who use free recyclable drop-off facilities to dispose of recyclable waste.

Timeframe of benefits

Currently an ongoing activity with benefits apparent in year of expenditure. Benefits will also be realised in the long term from behaviour changes as a result of education programmes.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

100% UAGC.

Rationale

Rating across the district ensures that recyclables drop-off facilities are free, encouraging their use.

REGULATORY AND EMERGENCY SERVICES

RESOURCE MANAGEMENT

Activity Description

Administration and monitoring of the Clutha District Plan to ensure that development and resource use maintains environmental and community standards.

Community Outcome

A safe and supportive community.

Who benefits?

Largely a public benefit from the sustainable management of the districts natural and physical resources. A private benefit to those who are granted a resource consent, enabling them to sustainably use their land.

Timeframe of benefits

An ongoing activity with the benefit being realised in the year of expenditure. Longer term benefit from expenditure on the District Plan.

Contribution to need

Individuals or organisations whose actions or proposed developments require resource consent. Costs and benefits of distinct funding
No particular benefit from distinct funding.

Funding methods

80-90% Fees and charges; 10-20% district-wide CV based rate.

Rationale

Fees are set at a level to recover actual costs involved in processing the consent. The remainder is treated as a public good.

ANIMAL CONTROL

Activity Description

Registration of dogs and responding to animal-related complaints.

Community Outcome

A safe and supportive community.

Who benefits?

Private benefit to animal owners who have their animals returned. Public benefit from the capture of wandering animals and from having Council oversee animal welfare. There is also a public benefit from having less fouling of public space.

Timeframe of benefits

An ongoing activity with largely a short term benefit. Longer term benefit of the pound.

Contribution to need

Animal owners who do not adequately control their animals.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

95% Fees and charges; 5% UAGC.

Rationale

User pays ensures those who contribute to the need for the activity fund the vast majority of the costs. Responsible dog owners receive a discount, recognising that they contribute less to the activity than others. The district-wide contribution recognises the public benefit.

ENVIRONMENTAL HEALTH

Activity Description

Protection of public health and safety through licensing of food premises and other venues that have potential public health risks.

Community Outcome

A safe and supportive community.

Who benefits?

Community benefit from knowing that public health standards are being met. There is also private benefit to businesses whose operations have public health implications.

Timeframe of benefits

An ongoing activity with the benefit being realised in the year of expenditure.

Contribution to need

The public who demand safe and hygienic eateries

and hairdressers. Businesses who operate in the food or hairdressing industries.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

10-15% Fees and charges; 85-90% UAGC.

Rationale

The combination of funding mechanisms reflects the individual and wider community benefits, whilst making services affordable for businesses.

BUILDING CONTROL

Activity Description

Administering the Building Act 2004, including ensuring that buildings comply with the New Zealand Building Code.

Community Outcome

A safe and supportive community.

Who benefits?

Private benefit to building owners from having certification that their buildings are structurally

sound and comply with safe building practices. There are also public safety benefits and a public benefit from having thorough and accurate building information.

Timeframe of benefits

An ongoing activity with the benefit being realised in the year of expenditure.

Contribution to need

The community demands safe buildings, however, people who build new buildings or alter existing buildings contribute to Council's workload.

Costs and benefits of distinct funding

No particular benefit from distinct funding.

Funding methods

80-90% Fees and charges; 10-20% district-wide CV based rate.

Rationale

Fees are set at a level to recover actual costs involved in processing the consent. The remainder is treated as a public good. Capital value is used as a basis to reflect the level of likely demand for building control services and ability to pay.

ALCOHOL LICENSING

Activity Description

Licensing and monitoring of premises from which alcohol is sold.

Community Outcome

A safe and supportive community.

Who benefits?

Private benefit to businesses who gain licences enabling them to trade. Public benefit from having alcohol available in licenced premises which meet licensing standards.

Timeframe of benefits

An ongoing activity with the benefit being realised in the year of expenditure.

Contribution to need

Those who sell, or apply to sell, alcohol. Costs and benefits of distinct funding The UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

100% fees and charges.

Rationale

Fees are set by statute. Any shortfall is recovered by UAGC on the basis that this activity also has an element of public good.

CIVIL DEFENCE

Activity Description

Emergency management (civil defence) including 'reduction, readiness, response and recovery' actions.

Community Outcome

A safe and supportive community.

Who benefits?

The whole community benefits from this public service activity.

Timeframe of benefits

An ongoing activity with the benefit being largely realised in the year of expenditure.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

100% UAGC.

Rationale

Funding through the UAGC reflects the 'people focus' of Civil Defence.

RURAL FIRE

Activity Description

Fire control activities in rural areas.

Community Outcome

A safe and supportive community.

Who benefits?

The whole community benefits but primarily those in rural areas.

Timeframe of benefits

Largely a short term benefit.

Contribution to need

Those in rural areas.

Costs and benefits of distinct funding

No benefit from distinct funding. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify individual components.

Funding methods

35% UAGC and 65% on Land Value (rural community).

Rationale

The rural area funds the majority of the cost as it contributes towards the need for the activity and receives the greatest benefit.

INTERNAL SERVICES

POLICY & COMMUNICATIONS

Activity Description

Policy and communication refers to the area of Council responsible for producing the long term plan and other strategic policies. It is also responsible for supporting the Governance function in communicating with residents and ratepayers.

Community Outcome

A well informed community where people have their say in decisions that affect them.

Who benefits?

All residents and ratepayers.

Timeframe of benefits

This activity is ongoing with benefits apparent in the year of expenditure.

Contribution to need

All residents and ratepayers.

Costs and benefits of distinct funding

No benefit from distinct funding for Council. However, the UAGC is itemised in Annual and Long Term Plans and on rates assessments so ratepayers can easily identify this component.

Funding methods

100% UAGC.

Rationale

This activity is provided for the benefit of the community as a whole, and therefore is funded by the whole district.

Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	USER FEES & CHARGES	GENERAL RATE	TARGETED RATE		
			UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON LOCATION OR AVAILABILITY OF SERVICE UNIFORM CHARGE LAND VALUE (LV)	
Community Leadership	Governance	Council	100%			
		Community Boards		100%		
	West Otago Health			100%		
Economic & Community Development	Economic Development		100%			
	Community Development		100%			
Roading	District-Wide Main Street	Roading (balance after NZTA subsidy)		37% ¹		63% ²
		New footpaths			100%	
	District-Wide Main Street	Balclutha & Milton		20%		80%
		Lawrence & Tapanui		20%	80%	
Water Supply	Urban Water Supply				100%	
	Rural Water Schemes				100%	
Sewerage	Sewerage				100%	
	District Sewerage Upgrade Support		10%	90%		
	Benhar & Tokoiti Capital		10%	90%		

¹ District roading component ² Local roading component

Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	USER FEES & CHARGES	GENERAL RATE	TARGETED RATE		
			UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON LOCATION OR AVAILABILITY OF SERVICE UNIFORM CHARGE LAND VALUE (LV)	
Stormwater	Urban Stormwater				100%	
Community Services	Libraries	5-10%	90-95%			
	Service & Information Centres	5-10%	90-95%			
	Swimming Pools	10-15%	30-31%			55-59%
	Parks, Playgrounds & Reserves		35%			65%
	Waihola Domain		65%			35%
	Kaka Point Foreshore		27%			63%
	Sportsgrounds	3-7%	30-35%			60-65%
	Halls & Community Centres	12-18%	25-35%			50-60%
	Community Housing and Other Property	100%				
	Public Toilets		100%			
	Cemeteries	55%	45%			
	Cross Recreation Centre			10%	100%	

Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	USER FEES & CHARGES	GENERAL RATE	TARGETED RATE		
			UNIFORM CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON LOCATION OR AVAILABILITY OF SERVICE UNIFORM CHARGE LAND VALUE (LV)	
Solid Waste Management	Waste Collection & Disposal	70%			30%	
	Waste Minimisation		100%			
Regulatory & Emergency Services	Resource Management	80-90%		10-20%		
	Animal Control	95%	5%			
	Environmental Health	10-15%	85-90%			
	Building Control	80-90%		10-20%		
	Alcohol Licensing	100%				
	Civil Defence		100%			
	Rural Fire			35%	65%*	
Internal Services	Policy and Communications		100%			

*Rural rating area

REVENUE & FINANCING POLICY - HERIOT



REVENUE & FINANCING POLICY - POUNAWEA



REVENUE & FINANCING POLICY - STIRLING



REVENUE & FINANCING POLICY - TAIERI MOUTH

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POLICY ON RATES REMISSION

PURPOSE

This policy provides the framework for granting remission of rates and rate penalties under the Local Government (Rating) Act 2002 (the Act).

Relevant Legislation

Local Government (Rating) Act 2002, section 85
Local Government Act 2002, section 109.

POLICY

REMISSION OF RATES FOR COMMUNITY, SPORTING AND OTHER ORGANISATIONS

Objective

To assist where practicable, community clubs and organisations in recognition of the valuable 'public good' contribution made by such organisations to the character and well-being of the district.

Conditions and criteria

Council may remit rates for any organisation (for land the organisation owns or uses), for the purpose of any of the following:

- Recreation
- Health
- Enjoyment/leisure
- Instruction

- Sport/physical activity
- Any form of culture

Consideration for remission includes land owned or leased to an organisation where, under the rent or lease agreement, there is an obligation to pay the rates assessed on the land.

The policy will not apply to organisations that are operated for private pecuniary profit.

Procedures

All applications for remission must be in writing and addressed to the Chief Executive. Applications must include (where applicable):

- Statements of objectives of the organisation e.g. constitution.
- Financial statements e.g. recent audited accounts.
- Lease agreement (if applicable).

Any remission of rates will exclude rates in respect to water supply, sewage disposal or waste collection.

A remission of 100% will be applied under delegated authority. Where the applicant's financial information suggests that 100% may not apply the application will be referred to the Corporate Services Committee. For example, the applicant's information demonstrates they have sufficient cash reserves for current and future needs.

A granted remission will apply from the beginning of the rating year in which the remission is granted and continue until such time that an organisation or club no longer meets the criteria.

REMISSION OF RATES FOR LAND SUBJECT TO SPECIAL PRESERVATION CONDITIONS

Objective

To preserve and encourage the protection of land and improvements which are the subject of special preservation conditions.

Conditions and criteria

Rate remission under this provision of the policy relates to land that is owned or used by and subject to one of the following:

- A heritage covenant under the Historic Places Act.
- A heritage order under the Resource Management Act.
- An open space covenant under the Queen Elizabeth the Second National Trust Act.
- A protected private land agreement or conservation covenant under the Reserves Act.
- Any other covenant or agreement entered into by the owner of the land with the public body for the preservation of existing features of land, or of buildings, where the conditions of the covenant

or agreement are registered against the title to the land and are binding on subsequent owners of land.

Procedures

An application for remission will be considered by the Corporate Services Committee and must be made in writing and accompanied with supporting documentary evidence of the special preservation conditions.

The application for rates remission must be made prior to commencement of the rating year, i.e. 1 July. Applications received and approved during the rating year will become applicable from the commencement of the following rating year.

The maximum available remission is up to 100% of rates but excludes rates in respect to water supply, sewage disposal or waste collection.

REMISSION OF RATES FOR NATURAL DISASTERS AND EMERGENCIES

Objective

To provide for the possibility of rates remission where a form of natural or other type of disaster or emergency affects one or more residential rating units capacity to be inhabited, used or otherwise occupied for the period of a rating year, or more.

Conditions and criteria

The Council may consider voiding the need for an application and grant remission for any rating unit or group of rating units collectively affected by a natural disaster or emergency.

Each application will be considered on its merits and remission up to 100% may be granted where it is considered just and equitable to do so.

Applications may be declined if there is evidence to suggest the applicant's actions or inactions contributed to the circumstances under which the application is being made.

Applications for rates remission under this policy will be considered by a full meeting of Council.

Procedures

The Council may, on written application from the ratepayer of rating units affected by a natural disaster or emergency, remit up to 100% of annual rates levied.

Where an application is approved by Council, the rating unit concerned will become non-rateable for the specific rating year.

REMISSION OF UNIFORM ANNUAL GENERAL CHARGES

Objective

To provide for relief from Uniform General Charges when:

- Two or more rating units are owned by the same person or persons, and,
- Are part of a subdivision plan which has been deposited for separate lots, or separate legal titles exists but the rating units may not necessarily be used jointly as a single unit, and,
- Each rating unit does not benefit separately from the services related to the Uniform Annual General Charge.

Conditions and criteria

Remission of Uniform Annual General charges applies in the following situation:

As a result of the High Court decision of the 20 November 2000 "Neil Construction and others vs. North Shore City Council and others", in respect to

unsold subdivided land, each separate lot or title is treated as a separate Rating Unit and such land is implied not to be used as a single unit.

Rating units that meet the criteria under this provision may qualify for a remission of uniform annual general charges. The ratepayer will remain liable for at least one uniform annual general charge. Each case for remission will be decided on its own facts. A granted remission will remain in force whilst all land remains contiguous.

Procedures

Ratepayers who consider themselves eligible for remission under this part of the policy may make application in writing to the Corporate Services Manager and will be considered by the Corporate Services Committee. All applications will be considered and where eligible remission will be backdated to the beginning of the rating year in which the application has been received.

REMISSION OF PENALTIES

Objective

The objective of this part of the policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

Conditions and criteria

Remission of one penalty will be considered in any one year when payment has been late due to significant family disruption. This will apply in the case of death, illness or accident of a family member at about the time rates are due.

Remission of the penalty will be considered if the ratepayer forgets to make payment and claims the invoice was not received or is able to provide

evidence that the payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.

Other conditions for remission may exist and will be considered on their own merit.

Each application for remission will be considered on its own merits and remission will be granted when it is just and equitable to do so.

When significant arrears exist penalties may be remitted whilst regular payments are made to reduce the arrears balance.

Decisions on remission of penalties will be delegated to officers as set out in the Council's Delegations Policy.

Review of Remissions

All remissions granted will be reviewed every three years. This is to ensure that the circumstances under which the remissions were granted continue to exist.

POLICY ON RATES POSTPONEMENT

PURPOSE

Sections 102(3) (b) and 110 of the Local Government Act 2002 state that local authorities may adopt a rates postponement policy. This policy confirms the Clutha District Council's stance on rates postponement.

The objective of this policy is to provide Benhar and Tokoiti sewerage capital ratepayers, who, in the opinion of Council, are experiencing severe financial hardship, with the option of postponing payment of their sewerage capital rates. Any postponement will be subject to the full cost being met by the ratepayer and Council being satisfied that the risk in any case is minimal.

CONDITIONS AND CRITERIA

1. Clutha District Council does not provide rates postponement, except for the postponement of Benhar or Tokoiti Sewerage Capital rates for ratepayers who would experience severe financial hardship if the rate was not postponed.
2. Ratepayers can apply to Council for postponement of only the annual Benhar or Tokoiti capital sewerage rate, either in entirety or part. The ratepayer will still be required to pay the remaining portion of their rates assessment including the sewerage scheme operating rate.
3. The ratepayer (or authorised agent) must make an application to Council on the prescribed form.
4. The ratepayer must be the owner of the property subject to the application as at 1 July, and must not own any other rating units or investment properties or other substantial realisable assets.
5. Before making a written application, the ratepayer must have received budget advice (for example, from the Budget Advisory Service) and must make the budget advisor's findings available to Council.
6. Council must be satisfied that the ratepayer is likely to be in a position of severe financial hardship if their sewerage capital rate is not postponed.
7. When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors:
 - a) age, physical or mental disability, injury, illness and family circumstances;
 - b) number of dependents;
 - c) access to other sources of financial assistance (including central government's rates rebate scheme);
8. Council must be satisfied, on reasonable assumptions, that the risk of not recovering postponed rates and fees, when due as per clause 13, is negligible. Where a rates postponement arrangement has been entered into Council may refuse to postpone any further rates if it considers that the risk is not negligible.
9. The amount of any rates postponed including fees will be secured by a notice of charge on the Certificate of Title of the rating unit. Any costs of registering and subsequently dealing with the charge are to be met by the ratepayer by being added to the amount postponed.
10. A postponement fee will be added to the amount postponed at the start of every financial year when there are outstanding postponed rates against a property. This fee will cover the administrative and financial costs of the postponement. Financial costs will include interest as calculated annually by Council.
11. Whilst there are postponed rates outstanding against a property the ratepayer must provide annual proof that their house is insured and
 - a) the likely period before the ratepayer's financial position could be expected to improve;
 - b) a verified budget.

make an annual declaration that they continue to use the property as their primary residence.

12. The annual sewerage capital rate will continue to be postponed for a maximum of five years, provided that on an annual basis the ratepayer completes a written declaration that their circumstances still meet the requirements of this policy. After 5 years, ratepayers would be able to re-apply for postponement.
13. All postponed rates will become payable on the earliest of the following dates;
 - a) when the ratepayer(s) ceases to be the owner or occupier of the rating unit
 - b) when the ratepayer(s) ceases to use the property as their primary residence
 - c) upon the death of the ratepayer(s)
14. The postponed rates and fees or any part thereof may be paid off at any time without penalty. Such voluntary repayments will be credited against the ratepayers postponed rates at the beginning of the financial year following that of when they were received by Council, but prior to the calculation of interest. When postponed rates are paid off in full, the ratepayer will be liable for any costs of removing the statutory land charge from the certificate of title.
15. Decisions on postponement are delegated to the Manager Corporate Services. If an applicant is declined postponement they may appeal to the Clutha District Council.
16. The Manager, Corporate Services, will report annually to the Corporate Services Committee on the total number and value of rates postponed during that year and the total number and value of outstanding postponed rates.

PROCEDURES

At the start of any rating year, where a ratepayer has any postponed rates, the Council will send an annual statement outlining:

- the total amount of postponed rates outstanding
- the postponement fees applied
- the ratepayers responsibilities under clause 11
- the declarations required for future sewerage capital rates to be postponed (as per clause 12).

DEFINITIONS

Postponement Fee: A fee under section 88 of the LGRA, to cover the administrative and financial costs (including interest) of providing rates postponement.

RELEVANT LEGISLATION

Sections 102(3) (b), 110 Local Government Act
Sections 80 - 90 Local Government (Rating) Act 2002

LEGAL COMPLIANCE

This policy must be reviewed at least once every 6 years through the special consultative procedure (s 110(2A)).

RELATED POLICY AND DOCUMENTS

Revenue and Financing Policy

KEY WORDS

Benhar, Tokoiti, Sewerage Rate, Rates Postponement, Financial Hardship

POLICY ON REMISSION & POSTPONEMENT OF RATES FOR MAORI FREEHOLD LAND

PURPOSE

This policy has been formulated for the purpose of ensuring the fair and equitable collection of rates from all sectors by recognising that certain Maori owned lands have particular features, ownership structures or other circumstances that make it appropriate to provide rates relief.

This policy provides the framework for granting remissions and postponements for the payment of rates and penalties on Maori freehold land, and is adopted under Section 102(4) and Section 108 of the Local Government Act 2002 (LGA).

POLICY

REMISSION OF RATES

The Clutha District Council carries out its rating function in accordance with the requirements of the Local Government (Rating) Act 2002 (LGRA) and the LGA.

All Maori freehold land in the Clutha District Council area is liable for rates in the same manner as if it were general land (as per section 91 LGRA).

Maori freehold land is defined in the LGRA as land

whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is the subject of such an order may qualify for remission or postponement under this policy. Whether rates are remitted in any individual case will depend on the individual circumstances of each application.

Schedule 11 of the LGA identifies the matters which must be taken into account by Council when considering rates relief on Maori freehold land.

When considering the objectives listed below Council must take into account:

- the desirability and importance of the objectives to the district.
- whether remitting the rates would assist attainment of those objectives.

Objectives

- a) supporting the use of the land by the owners for traditional purposes
- b) recognising and supporting the relationship of Maori and their culture and traditions with their ancestral lands
- c) avoiding further alienation of Maori freehold land
- d) facilitating any wish of the owners to develop

the land for economic use

- e) recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes
- f) recognising and taking account the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
- g) recognising and taking account of the importance of the land for community goals relating to
 - a. the preservation of the natural character of the coastal environment
 - b. the protection of outstanding natural features
 - c. the protection of significant indigenous vegetation and significant habitats of indigenous fauna
- h) recognising the level of community services provided to the land and its occupiers
- i) recognising matters related to the physical accessibility of the land.

Conditions and Criteria

Applications for remission of rates on Maori freehold land must be made in writing, and should include:

- a description of the size, position and current use

of the land

- an indication of the ownership and documentation that shows the land which is subject to the application for rates remission is Maori freehold land
 - outline future plans for the land (if any)
- sources and level of income generated by the land (if any)
- financial accounts if requested
 - outline the reason for the request
 - describe how the application meets any one or more of the objectives listed above.

Council may grant a remission of up to 100% of all rates except targeted rates for water supply, sewage disposal, storm water or refuse collection.

POSTPONEMENT OF RATES

Council does not allow for rates postponement on Maori freehold land.

PROCEDURES

REMISSION OF RATES

An application for remission of rates must be considered by the Corporate Services Committee.

All rates on Maori freehold land whose owners name or names (or the name of the lessee) appears on the valuation roll (under section 92 of the LGRA) will be collected in the usual manner of rate collection and follow up.

All rates, rates arrears and penalties on Maori freehold land vested in trustees will be collected from income derived from that land and held by the trustees for the beneficial owners, but limited to the extent of the money derived from the land and held by the trustees on behalf of the beneficial owner or owners (as per section 93 LGRA).

For Maori freehold land in multiple ownership, any person who actually uses the land whether for residing, farming, storage or any other use, whether they have a lease or not, is liable to pay the rates (as per section 96 LGRA). The rates invoice will be delivered to that person and the rates will be collected in the usual manner. Section 97 LGRA provides for the person to be treated as having used the whole of the land for the whole financial year, unless they can establish otherwise.

Rates arrears on Maori freehold land in multiple ownership shall be reviewed annually and amounts determined by council as uncollectible shall be written off (for accounting purposes) on such land.

REMISSION OF PENALTIES

Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Where significant arrears exist penalties may be remitted whilst regular payments are made to reduce the arrears balance.

Decisions on remission of penalties will be delegated to officers as set out in the Council's Staff Delegations Manual.

DEFINITIONS

Maori freehold land means land whose beneficial ownership has been determined by the Maori Land Court by freehold order.

Maori freehold land in multiple ownership means

Maori freehold land owned by more than two persons.

RELEVANT LEGISLATION

Sections 102 and 108 of the Local Government Act 2002.

Sections 91 to 97 of the Local Government (Rating) Act 2002.

LEGAL COMPLIANCE

Not applicable.

RELATED POLICY AND DOCUMENTS

- Long Term Plan.
- Delegations Manual.

KEY WORDS

Maori freehold land, rate remission, section 102, section 108, Long Term Plan.

FINANCIAL CONTRIBUTIONS POLICY

PURPOSE

To provide predictability and certainty about the sources and levels of funding to meet increased demand for reserves and infrastructure resulting from growth by enabling Council to recover contributions from those persons undertaking development as a condition of a resource consent or permitted activity or where that development or activity may have an adverse effect.

STATUTORY CONTEXT

2.1 Section 106 of the Local Government Act 2002 requires a local authority to adopt a development contributions or financial contributions policy.

2.2 "Financial contributions" has the meaning given to it by section 108(9) of the Resource Management Act 1991 (RMA), i.e. financial contribution means a combination of:-

Money; or

(b) Land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993 unless that Act provides otherwise;

or

(c) A combination of money and land".

2.3 Development contributions may take the same form as above, but they are only available to fund additional infrastructure costs that occur as a direct result of growth. They are a tool to allocate the cost of growth to those who cause the need for the additional infrastructure.

DEVELOPMENT CONTRIBUTIONS

Clutha District Council's policy in relation to development contributions is to not assess development contributions under the Local Government Act 2002 but to take financial contributions, pursuant to Section 109 of the RMA.

FINANCIAL CONTRIBUTIONS

4.1 The objective of this policy is to require financial contributions, in appropriate circumstances, for the purpose of meeting the costs of increased demand for reserves and infrastructure resulting from growth.

4.2 Council may require that a financial contribution

be made to Council as a condition of resource consent or permitted activity where that activity or development requires additional capacity from any of the following:

The recreational resources and facilities of the District; and
Sewerage, water and roading networks.

POLICY DETAILS

Council has considered all matters it is required to consider under the Act when making a policy on financial contributions. The Council has also considered the requirements in Section 106 of the Act relating to the content of such a policy. Policy resulting from these considerations is set out in this section.

5.1 Appropriate sources of funding

5.1.1 Council incurs capital works expenditure in order to:

- (a) provide additional capacity in assets to cater for new development;
- (b) improve the level of service to existing households and businesses;
- (c) meet environmental and other legislative requirements; and
- (d) Renew assets to extend their service life.

5.1.2 Section 101(3)(a) of the Act states that

the funding needs to meet these expenditure requirements must be met from sources that Council determines to be appropriate, following a consideration, in relation to each activity, of a number of matters. Council's consideration of these matters as it relates to the funding of capital expenditure is outlined in the Revenue and Financing Policy. The analysis contained in the Revenue and Financing Policy is also applicable to this policy.

5.1.3 Council has had regard to and made the following determinations under each activity in relation to the matters set out under section 101(3)(a)(i) to (v) of the Act:

that financial contributions are an appropriate source of funding for water supply, sewerage, roading and reserves.

5.1.4 Section 106 of the Act requires Council to:

- (a) summarise and explain the total cost of capital expenditure that Council expects to incur to meet the increased demand for community facilities resulting from growth; and
- (b) state the proportion of that total cost of capital expenditure that will be funded by—

- development contributions;
- (ii) financial contributions; and
- (iii) other sources of funding.

5.1.5 These requirements are met in Schedule 1 of this policy.

5.1.6 Section 106(2)(d) of the Act requires the Council to identify separately each activity or group of activities for which a financial contribution will be required and in relation to each activity or group of activities the total amount of funding sought by

financial contributions.

This requirement is met by Schedule 2 of this policy.

5.1.7 The Resource Management Act 1991 authorises local authorities to impose financial contributions to address effects associated with subdivision, land use or development. Council may require a financial contribution, as a condition of consent, in accordance with any relevant rule in the Clutha District Plan.

5.1.8 Provisions regarding financial contributions towards water supply, sewerage, roading and reserves are detailed in Section 3.8 of the Clutha District Plan and should be referred to when reading this policy.

5.1.9 Section 106(2)(f) of the Act states that if financial contributions are required this policy must summarise the provisions that relate to financial contributions.

This summary is set out in Schedule 3.

POLICY REVIEW

This policy shall be reviewed by December 2017.

SCHEDULES

SCHEDULE 1 – Capital Expenditure to meet increased demand resulting from growth and sources of funding

The growth assumption for the Long Term Plan is sufficiently low that Council has not budgeted for any capital expenditure in regard to growth for the 2015/25 Long Term Plan. Consequently there are no financial contributions in the Long Term Plan relating

to the increased demand resulting from growth.

SCHEDULE 2 – Financial Contributions by Activity

As explained under schedule 1, there are no financial contributions included in the Long Term Plan relating to the increased demand resulting from growth.

SCHEDULE 3 – Summary of Financial Contribution Provisions

Section 106(2)(f):- because the Council may require financial contributions this policy must summarise the provisions that relate to financial contributions in the District Plan. Section 3.8 of the Clutha District Plan requires the following contributions:

Roading

The financial contribution required for upgrading roads that serve subdivision and developments shall be a reasonable and equitable charge having regard to the following matters:

- (a) the current status and standard of the road both leading to and fronting the site, and the adequacy of that road for its current use
- (b) the standard and classification of the road required as a result of the subdivision/development the expenditure required to meet this standard
- (c) the use or likely future use of the road by other parties and the contributions (if any) to be made or already made by such parties
- (d) the contributions made by Government or outside organisations towards the development of the road, and any contributions (if any) already made by the subdivider or developer provided that after having considered these

factors the maximum contribution required may be determined 100% of the actual cost.

Reserves

A financial contribution for the purpose of acquiring, improving and/or developing reserves and recreational facilities throughout the district may be imposed in the following circumstances:

- (a) as a condition of a permitted activity
- (b) as a condition of a resource consent for any subdivision or development for residential or commercial or industrial purposes

Sewerage

Financial contributions may be required where an activity, whether or not it requires resource consent, is to be connected to an existing public sewerage system.

The financial contribution shall be calculated in accordance with section 3.8 of the Clutha District Plan and applies where any subdivision or development occurs outside the boundary of the areas defined in the District Plan as an Urban Resource Area and that subdivision wishes to connect to an existing sewerage system provided by the Council and when any development occurs within the Urban Resource Area which increases the intensity of development.

Water

Financial contributions may be required where an activity, whether or not it requires resource consent, is to be connected to an existing public water system.

The financial contribution shall be calculated

in accordance with section 3.8 of the Clutha District Plan and applies where any subdivision or development occurs outside of the boundary of the areas defined in the District Plan as an Urban Resource Area and that subdivision wishes to connect to an existing public water system provided by the Council and when any development occurs within the Urban Resource Area which increases the intensity of development.