

RATES INFORMATION

OUR PLACE CLUTHA DISTRICT LONG TERM PLAN 2021/31



FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Operating Funding											
General rates, UAGC's, rates penalties	5,095	5,184	4,899	5,422	6,015	6,195	6,346	6,402	6,501	6,698	6,791
Targeted rates	22,635	23,295	24,700	25,356	27,002	28,421	28,984	29,533	30,713	31,348	32,095
Subsidies and grants for operating purposes	4,020	4,535	4,881	4,603	5,147	4,706	4,782	4,875	4,990	5,101	5,238
Fees and charges	3,180	6,119	7,101	7,095	6,810	7,011	7,206	7,295	7,492	7,693	7,891
Interest and dividends from investments	1,286	0	0	0	0	0	0	0	0	0	0
Fuel tax, infringement fees and other receipts	1,776	200	206	212	218	224	230	232	239	246	252
TOTAL SOURCES OF OPERATING FUNDING	37,992	39,333	41,787	42,688	45,192	46,557	47,548	48,337	49,935	51,086	52,267
Applications of Operating Funding											
Payments to staff and suppliers	27,480	38,180	32,159	31,716	33,036	34,013	34,921	35,278	36,127	37,185	37,973
Finance costs	697	689	1,057	1,416	1,747	1,912	2,015	2,178	2,228	2,168	2,138
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
TOTAL APPLICATIONS OF OPERATING FUNDING	28,177	38,871	33,217	33,131	34,783	35,926	36,936	37,457	38,354	39,353	40,112
SURPLUS (DEFICIT) OF OPERATING FUNDING	9,815	462	8,570	9,557	10,409	10,631	10,612	10,880	11,581	11,733	12,155

FUNDING IMPACT STATEMENT (WHOLE OF COUNCIL)

(All in \$000s)	Annual Plan	Long Term Plan (FORECAST)									
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Sources of Capital Funding											
Subsidies and grants for capital expenditure	5,452	6,363	5,448	5,831	6,267	7,308	6,858	6,908	6,074	6,581	6,301
Development and financial contributions	0	0	0	0	220	1,983	17,623	2,203	0	0	0
Increase (decrease) in debt	7,500	21,500	15,300	20,600	12,500	4,000	6,300	10,000	0	0	0
(Debt repayments)	(720)	0	0	0	0	0	0	0	(5,000)	(1,000)	(2,000)
Gross proceeds from sale of development property	0	900	700	500	400	100	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	12,232	29,420	22,105	27,393	19,388	13,391	30,782	19,111	1,074	5,581	4,301
Applications of Capital Funding											
Capital expenditure to meet additional demand	75	840	2,715	1,928	2,328	2,552	24,236	7,223	540	854	440
Capital expenditure to improve the level of service	6,716	10,390	14,057	17,393	10,967	2,301	2,352	7,564	738	762	1,276
Capital expenditure to replace existing assets	15,074	19,676	14,920	18,226	17,632	19,632	15,698	15,954	12,184	16,266	15,546
(Increase) decrease in reserves	(264)	433	(175)	150	(329)	339	(93)	51	(6)	231	(4)
(Increase) decrease of investments	446	(2,112)	(1,500)	(1,210)	(800)	(800)	(800)	(800)	(800)	(800)	(800)
TOTAL APPLICATIONS OF CAPITAL FUNDING	12,232	28,763	21,448	26,931	19,388	13,391	30,782	19,111	1,074	5,581	4,301
SURPLUS (DEFICIT) OF CAPITAL FUNDING	(9,815)	(464)	(8,570)	(9,555)	(10,409)	(10,633)	(10,612)	(10,882)	(11,581)	(11,732)	(12,157)
FUNDING BALANCE	0	0	0	0	0	0	0	0	0	0	0

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DETAILED DESCRIPTION OF RATE FUNDING MECHANISMS

Council sets the following rates for the year commencing 1 July 2021 and ending 30 June 2022 in accordance with the Local Government Act 2002 and the Local Government (Rating) Act 2002.

All monetary values disclosed are inclusive of GST.

DEFINITIONS

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

SUIP - A 'separately used or inhabited part of a rating unit' includes any part or parts of a rating unit that can be separately used or inhabited 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.

The Council is not inviting lump sum contributions in respect of any targeted rates.

COMMUNITY LEADERSHIP

Community Board Targeted Rate

	FIXED CHARGE (\$ PER SUIP)	TOTAL AMOUNT TO BE COLLECTED (\$)
West Otago Community Board	70.40	87,500
Lawrence/Tuapeka Community Board	121.60	109,300
TOTAL		196,800

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 (as per attached maps). The rates are set as a fixed charge per rateable 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 rateable separately used or inhabited part of a rating unit (SUIP) for those within the

West Otago Health Trust service catchment area, which mirrors the West Otago Community Board boundaries. 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 \$71.60 per SUIP. The total amount to be collected is \$ 89,800.

UNIFORM ANNUAL GENERAL CHARGE (UAGC)

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Activity	AMOUNT (\$) PER UAGC	TOTAL AMOUNT TO BE COLLECTED (\$)
Council	119.30	1,275,100
Economic development	79.40	848,900
Community support	39.50	421,800
Culture and heritage	23.50	250,700
District wide main street	6.70	71,800
Parks, reserves, sportsgrounds and playgrounds	56.10	598,900
Halls & community centres	17.90	190,800
Swimming pools	72.70	776,400
Service Centres & Libraries	164.90	265,300
Information Centres	24.80	1,762,200
Cross Recreation Centre	9.40	100,400
Animal Control	8.30	88,400
Emergency Services	16.60	177,500
Cemeteries	16.60	177,000
Public conveniences	28.70	306,300
Environmental health	12.80	136,600
Rural fire	0.60	6,300
Waste Minimisation	7.70	82,200
SUB TOTAL	705.50	7,536,600
Income		
Property	1.10	11,800
General - Petrol Tax and Investment Income	122.90	1,310,800
Other income	23.60	252,700
SUB TOTAL	147.60	1,575,300
TOTAL	557.90	5,961,300

Council has set a 'UAGC' of \$557.90 on each rateable separately used or inhabited part of a rating unit (SUIP) in the district.

The amount to be collected is \$5,961,300.

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 rateable rating unit in the district. The rate is 0.036043 cents per \$1 of capital value and funds approximately 37% of Councils share of the cost of providing operating and managing the local roading network, including roads, bridges, streetscapes and footpaths.

The amount to be collected is \$3,118,100.

LOCAL ROADING

Council has set 'Local Roading' Rates on every rateable rating unit in the district. This rate funds approximately 63% of Council's share of roading costs, including construction and maintenance of roads and footpaths within a locality/rating area.

The rates include a fixed charge and land value based component. The fixed charge component will be charged per SUIP and will be differentiated based on location and level of service, with the urban fixed charge being higher due to additional sealing in urban areas. The land value component will be differentiated based on location.

Council has defined areas of rateable land for the local roading 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 local roading rate.

The amount to be collected is \$5,309,100.

NEW FOOTPATHS

Council has set 'New Footpath Rates' to fund repayment of loans taken out to provide new footpaths. The total to be collected is \$229,000.

The rates are 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:

Local Roading Targeted Rate

	TARGETED FIXED CHARGE (\$) PER SUIP	CENTS PER \$ OF LAND VALUE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	60.49	0.11206	392,400
Clinton	60.49	0.57377	37,700
Heriot	60.49	0.11649	6,700
Kaitangata	60.49	0.30703	107,400
Kaka Point	60.49	0.05261	43,700
Lawrence	60.49	0.13574	67,600
Milton	60.49	0.06716	153,000
Owaka	60.49	0.26147	39,400
Papatowai	60.49	0.05541	12,700
Pounawea	60.49	0.06191	13,100
Stirling	60.49	0.12958	28,600
Taieri Mouth	60.49	0.04131	39,300
Tapanui	60.49	0.17447	58,700
Waihola	60.49	0.02406	29,000
Rural	57.50	0.08176	4,279,800
TOTAL			5,309,100

New Footpaths Targeted Rate

	FIXED CHARGE (\$) PER SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	48.10	106,700
Clinton	15.20	2,800
Kaitangata	17.90	8,100
Kaka Point	28.30	8,200
Lawrence	13.60	5,100
Milton	71.90	80,300
Owaka	42.40	8,700
Stirling	24.70	3,700
Tapanui	11.40	5,400
TOTAL		229,000

URBAN WATER SUPPLY

This rate funds the provision of reticulated potable water supplies to urban areas.

Council has set a targeted rate for customers who receive potable water from an 'on demand' supply and a targeted rate for customers who receive potable water from a 'restricted' supply.

These rates will be set up as a fixed charge per SUIP. These rates will be differentiated based on whether the SUIP is connected to the service, or is available but the SUIP is not actually connected

i.e. serviceable SUIP (50% of the fixed charge per connected SUIP).

The final determination of these rates will also include operating and capital costs for the water supply activity.

On demand water rates will be charged for each serviced or serviceable SUIP to an unrestricted water supply.

Restricted water rates will be charged to a serviced or serviceable SUIP 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.

The total amount to be collected is \$ 3,697,500.

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

Urban Water Supply Targeted Rate

	FIXED CHARGE (\$) PER SERVICED SUIP	FIXED CHARGE (\$) PER SERVICEABLE SUIP	SCHEME TYPE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	650.70	325.35	On-demand	1,475,400
Benhar	650.70	0.00	On-demand	33,800
Clinton	553.10	276.55	Restricted	100,100
Kaitangata	650.70	325.35	On-demand	287,600
Kaka Point	553.10	276.55	Restricted	144,400
Lawrence	650.70	325.35	On-demand	248,600
Milton	650.70	325.35	On-demand	692,700
Owaka	553.10	276.55	Restricted	135,800
Stirling	650.70	325.35	On-demand	103,100
Tapanui	650.70	325.35	On-demand	334,100
Waihola	553.10	276.55	Restricted	141,900
TOTAL				3,697,500

RURAL WATER SCHEMES

Council has set 'Rural Water Scheme' rates to fund the operation, maintenance and capital expenditure for individual rural water schemes areas that are primarily for stock but also for domestic consumption (as per attached maps). The total amount to be collected is \$5,356,900. The rates are set as a fixed charge for each unit (one m³ of water per day) of water supplied, as per the table to the right:

SEWERAGE UPGRADE SUPPORT

Council has set a 'District Sewerage Upgrade Support' rate on every rateable rating unit in the district. This will be used to fund 10% of capital costs of treatment upgrades, investigations into establishing new sewerage schemes and reticulation extensions and improving sewage disposal from existing systems. The rate is 0.001599 cents per \$1 of capital value. The amount to be collected is \$138,300.

SEWERAGE

This rate funds the provision of sewage reticulation and treatment facilities.

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.

These rates will be differentiated based on whether the SUIP is connected to the service, or is available but the SUIP is not actually connected i.e. serviceable SUIP (50% of the fixed charge per connected SUIP).

The total amount to be collected is \$3,220,300.

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	380.40	273,100
Balmoral 2	333.80	525,800
Clydevale/Pomahaka	377.20	903,400
Glenkenich	331.70	354,600
Moa Flat	221.70	521,700
North Bruce	300.30	578,900
Richardson	314.10	789,700
South Bruce	203.10	311,800
Tuapeka	427.50	690,300
Waipahi	254.50	212,800
Wangaloa	463.80	194,800
TOTAL		5,356,900

Sewerage Targeted Rate

	FIXED CHARGE (\$) PER SERVICED SUIP	FIXED CHARGE (\$) PER SERVICEABLE SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha (including Benhar)	563.40	281.70	1,280,400
Clinton	563.40	281.70	102,800
Heriot	563.40	0.00	42,800
Kaitangata	563.40	281.70	225,700
Kaka Point	563.40	281.70	151,000
Lawrence	563.40	281.70	194,400
Milton (including Tokoiti)	563.40	281.70	611,900
Owaka (including Pounaweia)	563.40	281.70	132,100
Stirling	563.40	281.70	82,800
Tapanui	563.40	281.70	260,900
Waihola	563.40	281.70	135,500
TOTAL			3,220,300

SEWERAGE LOAN RATES

Council has set 'Sewerage Loan' rates to repay loans taken out to fund the capital cost of certain sewerage schemes. The rates are set as an amount for each separately used or inhabited part of a rating unit (SUIP) that is "serviceable", i.e. 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 total amount to be collected is \$48,200. The rate for each scheme is shown in the table to the right:

Sewerage Capital Targeted Loan Rate

	AREA A FIXED CHARGE (\$) PER SERVICED SUIP	AREA B FIXED CHARGE (\$) PER SERVICED SUIP	TOTAL AMOUNT TO BE COLLECTED (\$)
Benhar	894.00	814.10	32,900
Tokoiti	745.10	588.80	15,300
TOTAL			48,200

STORMWATER

This rate is for the provision of stormwater reticulation and minor stormwater works.

Council has set targeted stormwater rates for each separately used or inhabited part of a rating unit (SUIP) that is either provided with a full stormwater service, or for which a limited service is available (50% of full service charge).

The total amount to be collected is \$1,030,100. The rate for each scheme is shown in the table to the right:

Stormwater Targeted Rate

	FIXED CHARGE (\$) PER SERVICED SUIP	FIXED CHARGE (\$) PER LIMITED SERVICE	TOTAL AMOUNT TO BE COLLECTED (\$)
Balclutha	177.70	88.85	386,100
Clinton	177.70	88.85	32,300
Kaitangata	177.70	88.85	12,500
Kaka Point	177.70	88.85	73,800
Lawrence	177.70	88.85	46,600
Milton	177.70	88.85	60,500
Owaka	177.70	88.85	174,300
Tapanui	177.70	88.85	36,200
Heriot	177.70	88.85	16,900
Pounawea	177.70	88.85	25,700
Stirling	177.70	88.85	41,500
Taieri Mouth	177.70	88.85	80,200
Waihola	177.70	88.85	43,500
TOTAL			1,030,100

COMMUNITY FACILITIES

Council has set a 'Community Facilities' targeted rate on all rateable rating units in the district. This rate is used to fund approximately 50% of swimming pools, halls, community centres, parks, reserves, sportsgrounds, playgrounds, Cross Recreation Centre, and approximately 80% the local share of main street improvements.

The amount to be collected is \$1,777,400.

The rates are set as a fixed charge per SUIP and based on location and the facilities within each Community rating area areas (as per attached maps). The charges are per the table to the right:

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 \$158.10 per pair of wheelie bins provided to each SUIP.

The amount to be collected is \$ 987,600.

DISTRICT-WIDE FACILITIES

Council has set a 'District-wide Facilities' rate on every rateable rating unit in the district. This will fund approximately 50% of the costs of public toilets.

The rate is 0.003821 cents per \$1 of capital value.

The amount to be collected is \$306,300.

Community Facilities Targeted Rate

	FIXED CHARGE PER SUIP (\$)	TOTAL AMOUNT TO BE COLLECTED (\$)
Bruce	162.20	431,000
Catlins	51.90	48,400
Clinton	71.10	41,800
Lawrence Tuapeka	123.40	111,300
Lower Clutha	242.80	1,088,200
West Otago	47.40	56,700
TOTAL		1,777,400

COMMUNITY PROJECTS

Council has set a 'Community Projects' targeted rate on all rateable rating units in the Bruce community rating area. This rate is used to fund the costs of Project Bruce.

The rate is set as a fixed charge per SUIP in the Bruce community rating area (as per attached Map: Community Rating Areas).

The rates are set as a fixed charge per SUIP of \$26.00.

The amount to be collected is \$69,000.

PLANNING/REGULATORY

Council has set a 'Planning/Regulatory' rate on every rateable rating unit in the district. This will part-fund resource management, building control, compliance and liquor licensing. The rate is 0.011109 cents per \$1 of capital value.

The amount to be collected is \$961,100.

VOLUNTARY TARGETED RATE

Council sets targeted rates for rating units in the Clutha District who are part of a Voluntary Targeted Rating Scheme. These scheme provide a way for ratepayers in the Clutha District to pay for the cost of additional services provided specifically to them. These voluntary targeted rates are subject to an agreement between the ratepayer and Council, and the application of a specified interest rate (currently 1.52%), over a specified timeframe (currently between 3 & 5 years). The rate is set as a targeted rate for each rating unit in the Clutha District Voluntary Targeted Rate Scheme. Use of this rate is currently suspended pending legal review.

As at 1 July 2021 specific schemes and amounts to be collected are:

VOLUNTARY TARGETED RATE	TOTAL AMOUNT TO BE COLLECTED (\$)
Dust Suppression	0
Warm Air Clean Homes	0
Cosy Homes	0
Sewerage Connection	0
Total	0

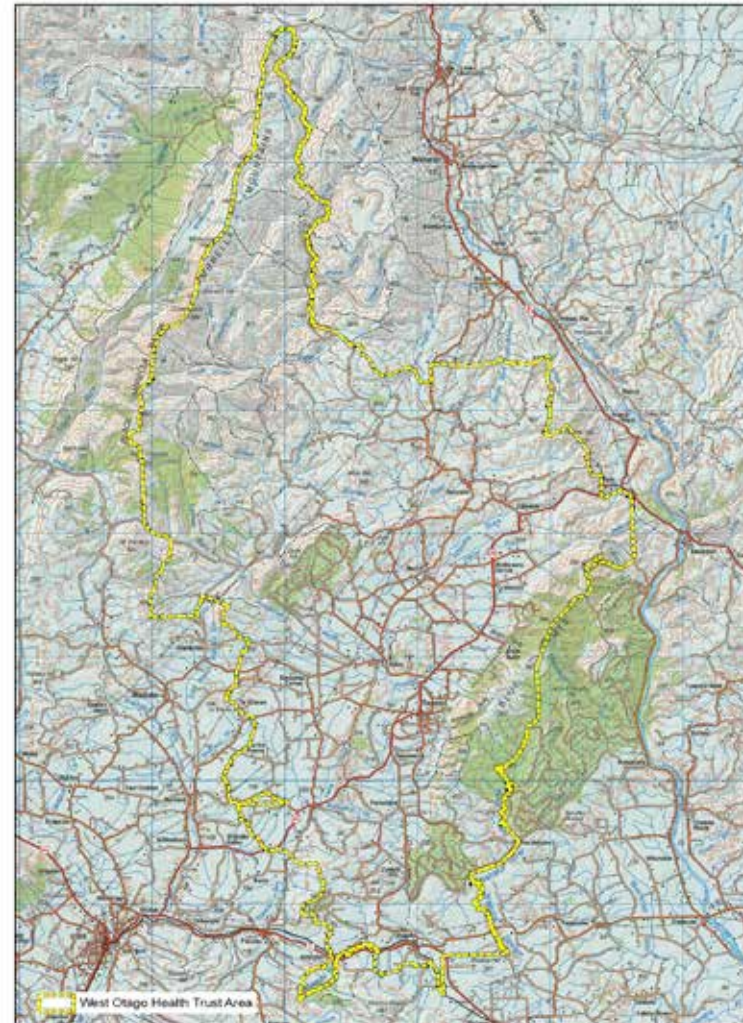
The following maps of rating areas are attached:

1. Lawrence/Tuapeka Community Board Rating Area
2. West Otago Community Board Rating Area (West Otago Health Trust)
3. Local Roding Rating Area – Balclutha
4. Local Roding Rating Area – Clinton
5. Local Roding Rating Area – Heriot
6. Local Roding Rating Area – Kaitangata
7. Local Roding Rating Area – Kaka Point
8. Local Roding Rating Area – Lawrence
9. Local Roding Rating Area – Milton
10. Local Roding Rating Area – Owaka
11. Local Roding Rating Area – Papatowai
12. Local Roding Rating Area – Pounawea
13. Local Roding Rating Area – Stirling
14. Local Roding Rating Area – Taieri Mouth
15. Local Roding Rating Area – Tapanui
16. Local Roding Rating Area – Waihola
17. Local Roding Rating Area – Rural
18. New Footpaths Rating Area – Balclutha
19. New Footpaths Rating Area – Clinton
20. New Footpaths Rating Area – Kaitangata
21. New Footpaths Rating Area – Kaka Point
22. New Footpaths Rating Area – Lawrence
23. New Footpaths Rating Area – Milton
24. New Footpaths Rating Area – Owaka
25. New Footpaths Rating Area – Stirling
26. New Footpaths Rating Area – Tapanui
27. New Footpaths Rating Area – Waihola
28. Sewerage Loan Rate Area – Benhar Area A
29. Sewerage Loan Rate Area – Benhar Area B
30. Sewerage Loan Rate Area – Tokoitī Area A
31. Sewerage Loan Rate Area – Tokoitī Area B
32. Community Rating Area – Bruce (Community Facilities & Community Projects (Project Bruce))
33. Community Rating Area – Catlins
34. Community Rating Area – Clinton
35. Community Rating Area – Lawrence Tuapeka
36. Community Rating Area – Lower Clutha
37. Community Rating Area – West Otago
38. Rural Water Schemes Rating Areas

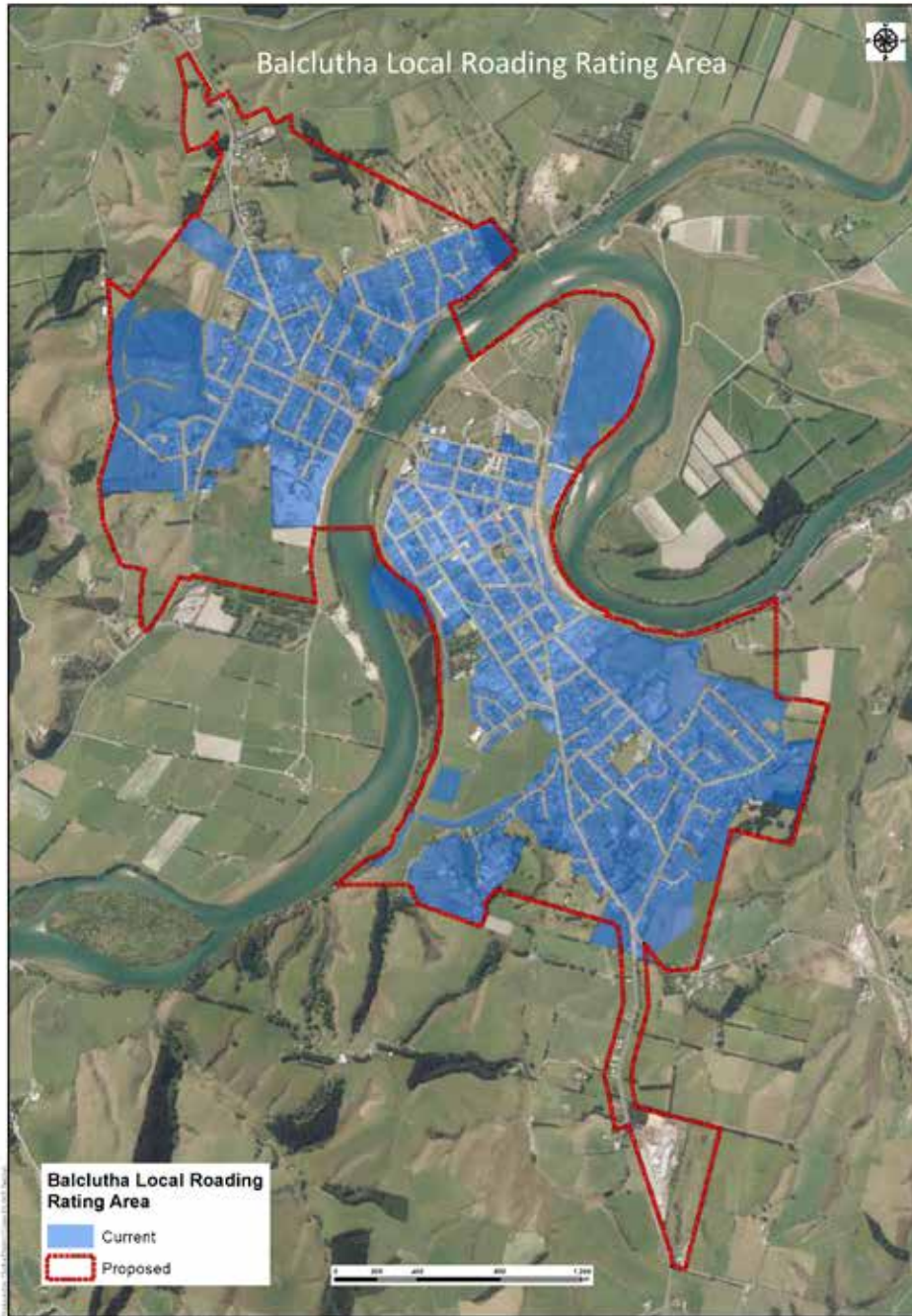
Map: Lawrence Tuapeka Community Board Rating Area



Map: West Otago Community Board/West Otago Health Trust Rating Area



Map: Balclutha Local Roading Rating Area



Map: Clinton Local Roading Rating Area



Map: Heriot Local Roding Rating Area



Map: Kaitangata Local Roding Rating Area



Map: Kaka Point Local Roding Rating Area



Map: Lawrence Local Roding Rating Area



Map: Milton Local Roding Rating Area



Map: Owaka Local Roding Rating Area



Map: Papatowai Local Roding Rating Area



Map: Pounaweia Local Roding Rating Area



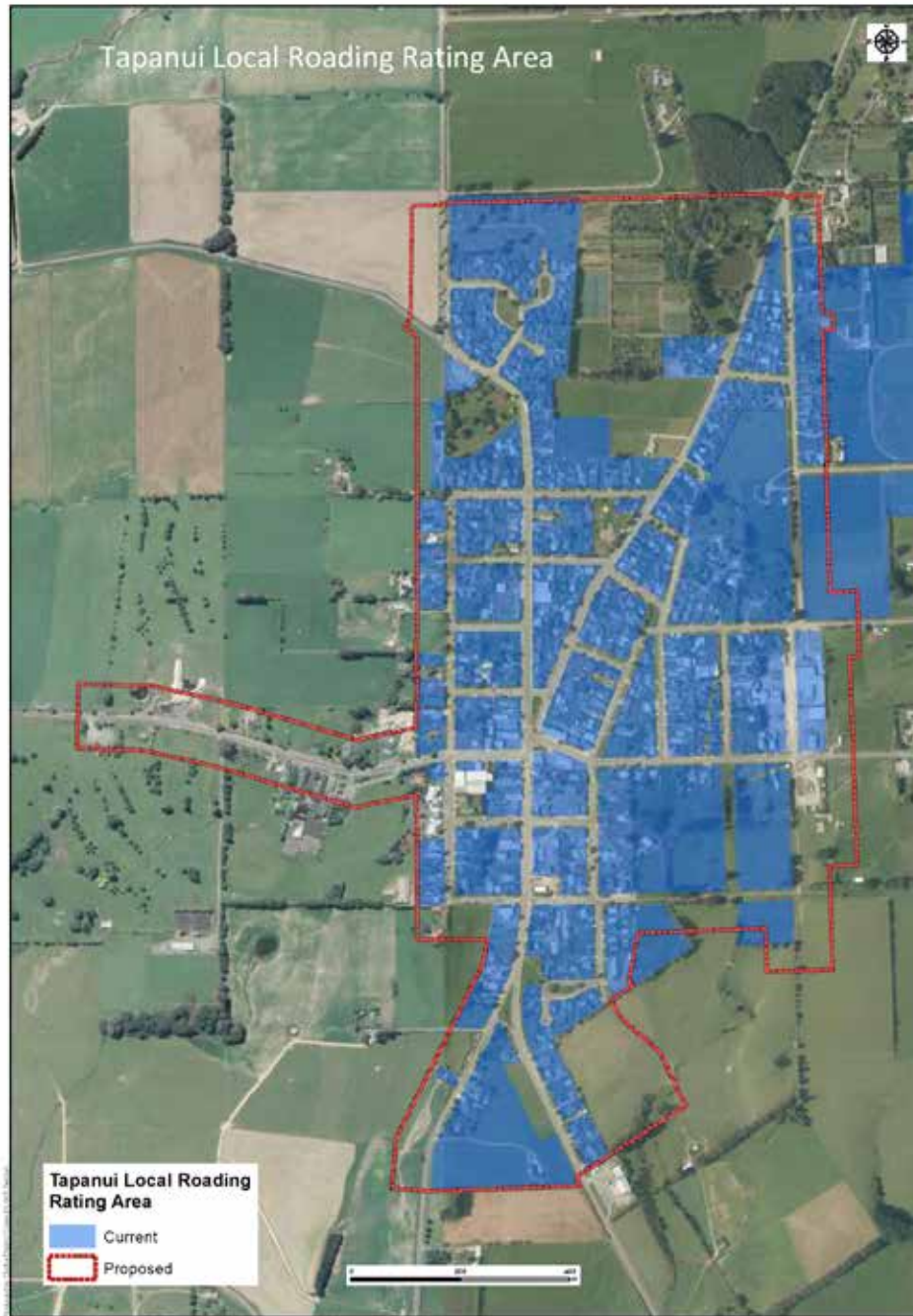
Map: Stirling Local Roding Rating Area



Map: Taieri Mouth Local Roding Rating Area



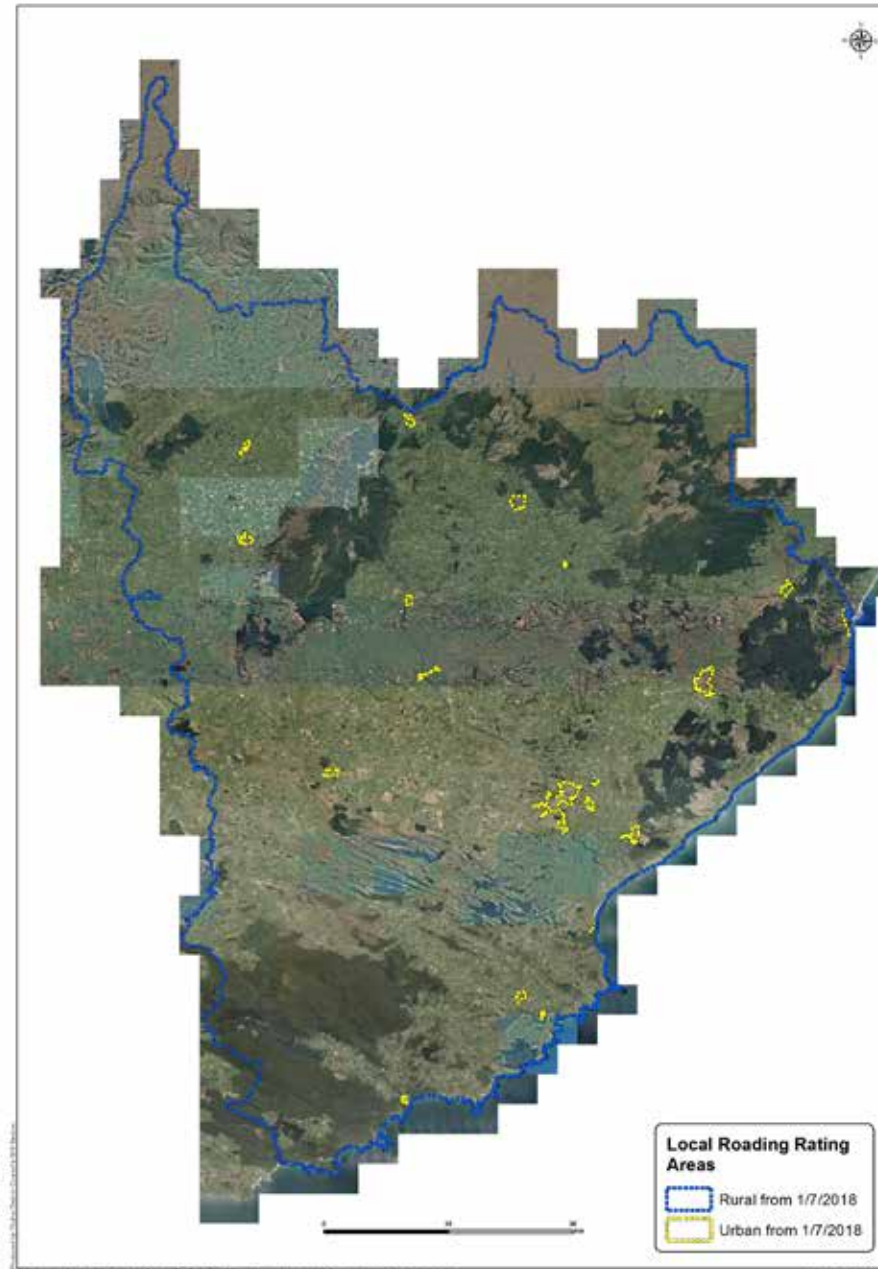
Map: Tapanui Local Roding Rating Area



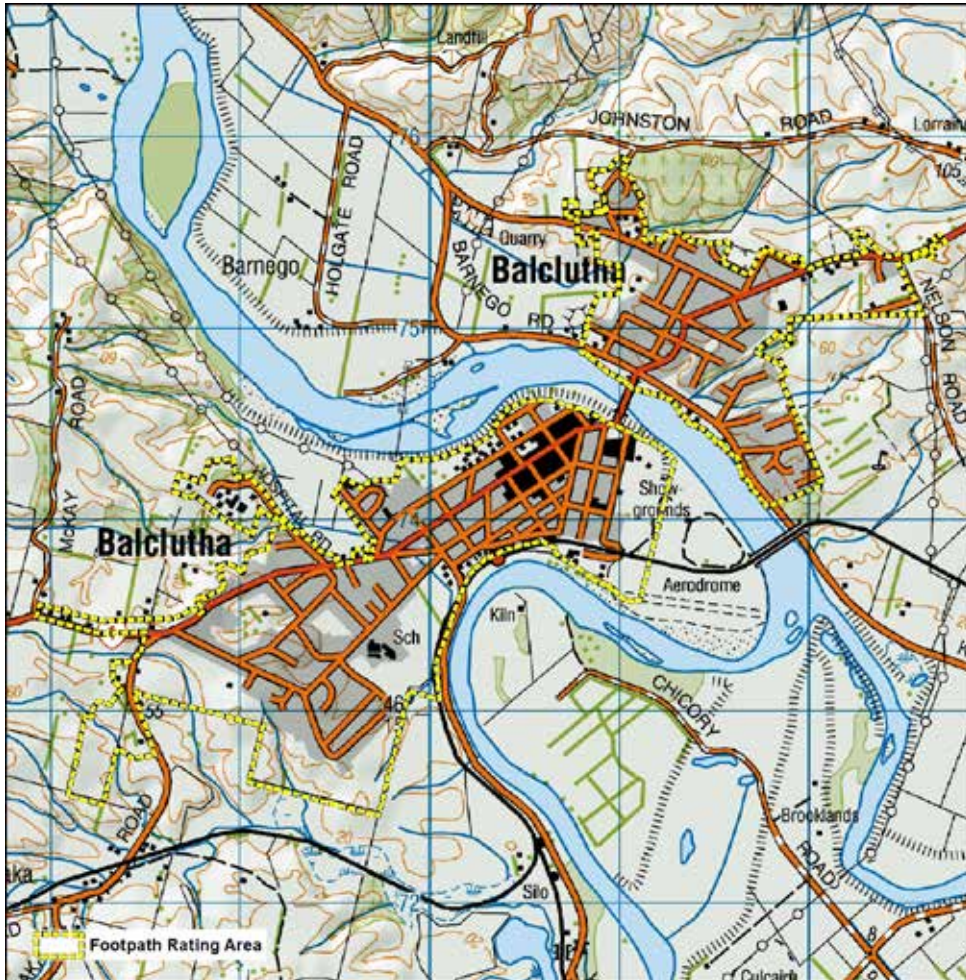
Map: Waihola Local Roding Rating Area



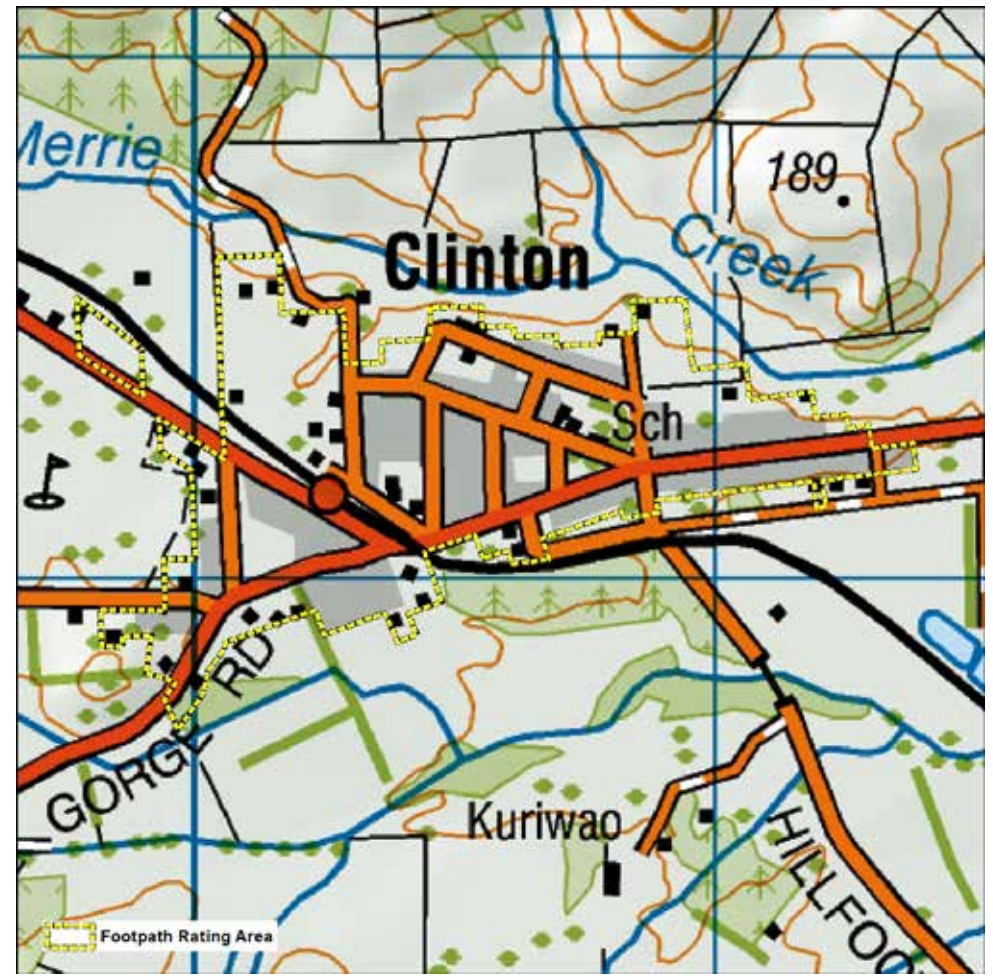
Map: Rural Local Roding Rating Area



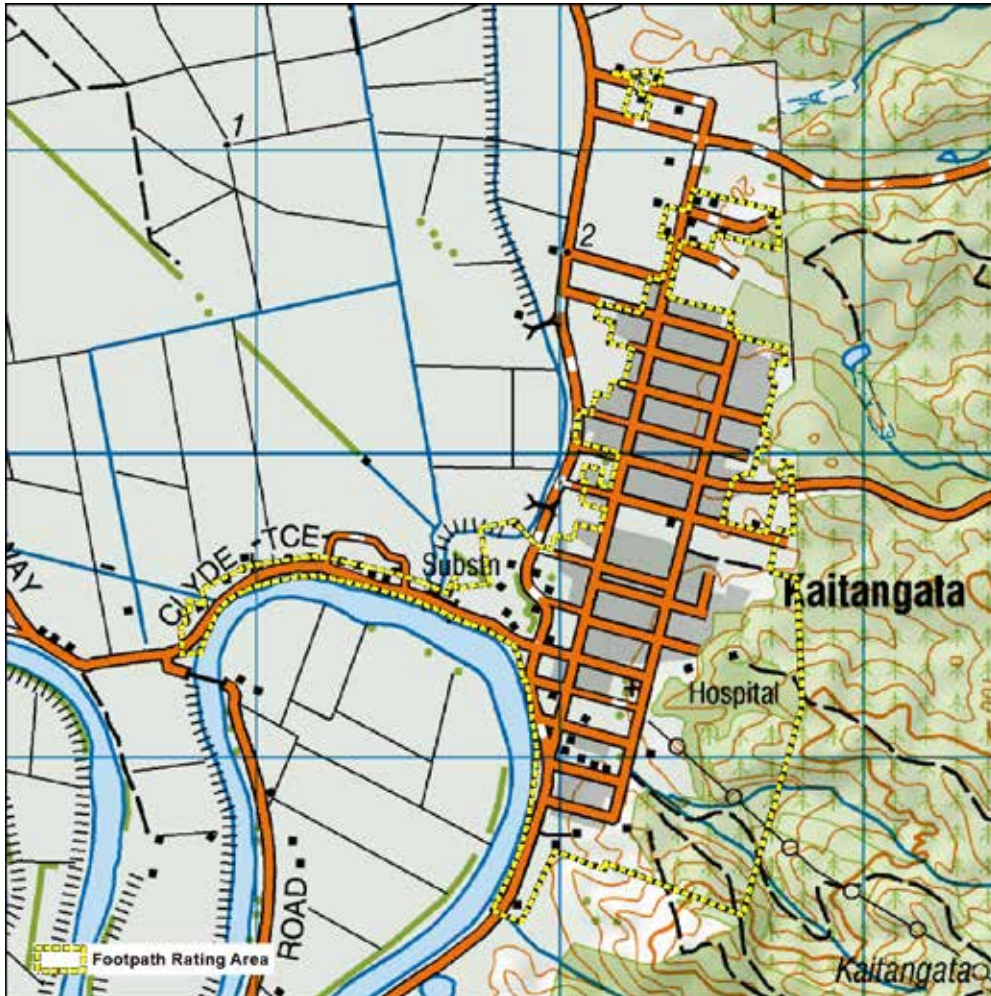
Map: Balclutha Footpath Rating Area



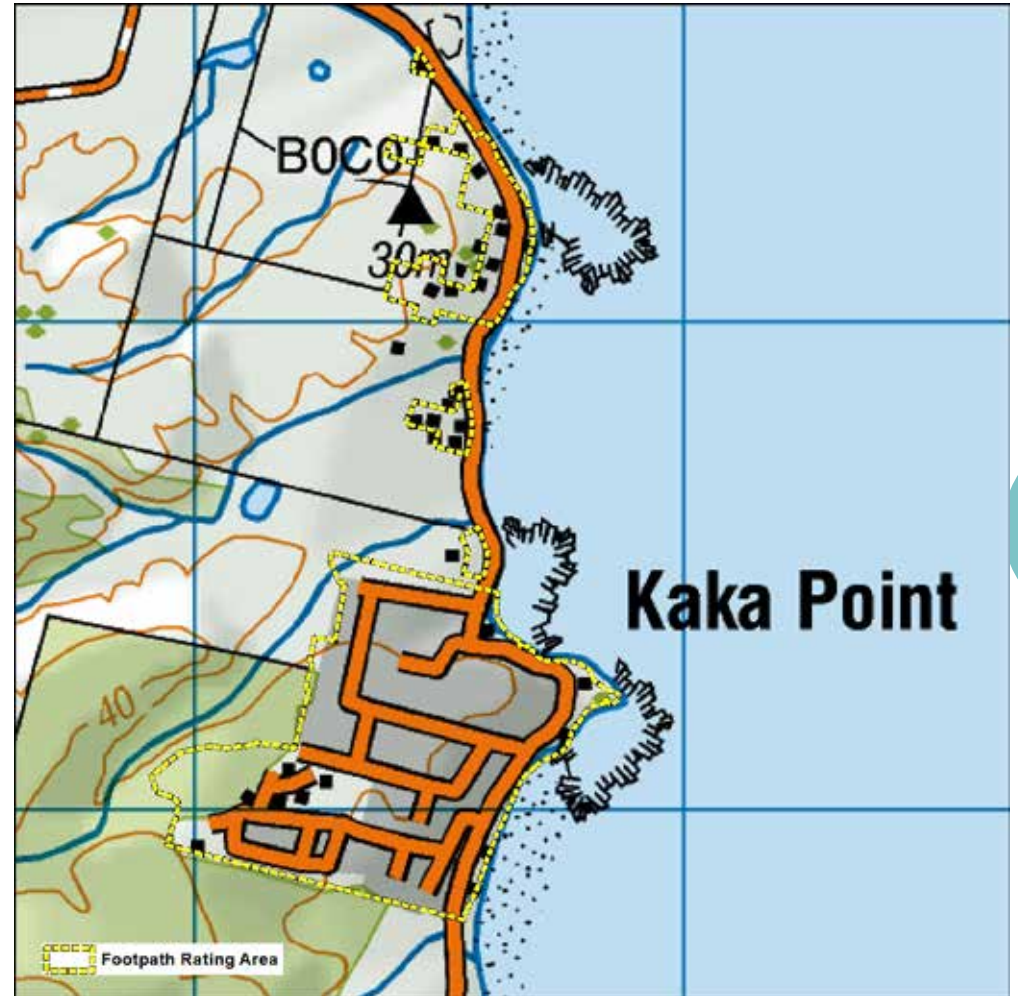
Map: Clinton Footpath Rating Area



Map: Kaitangata Footpath Rating Area



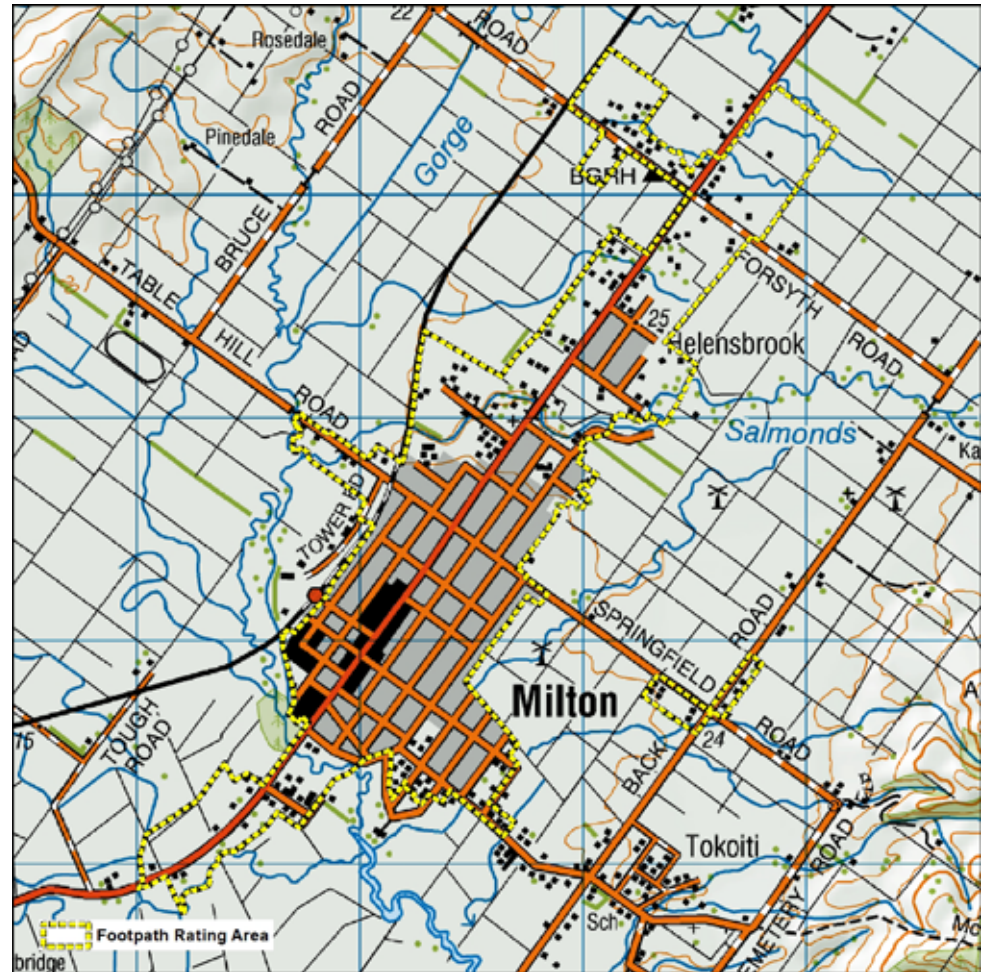
Map: Kaka Point Footpath Rating Area



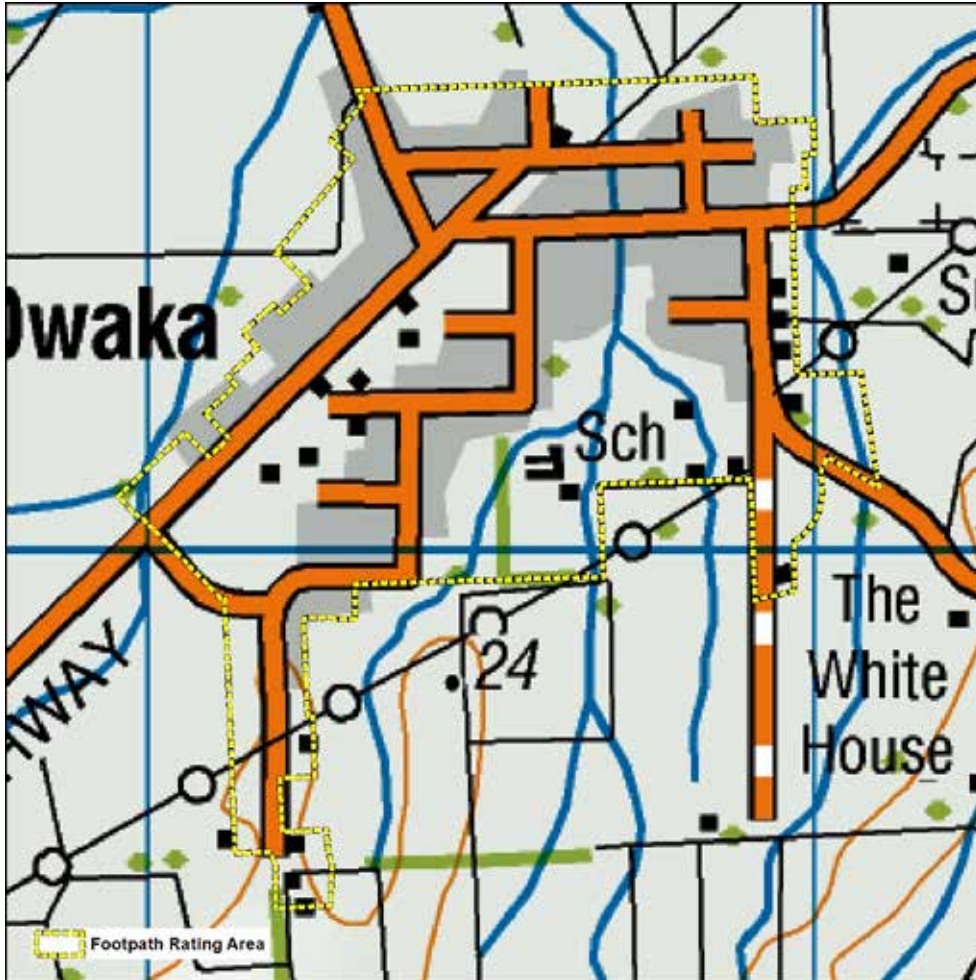
Map: Lawrence Footpath Rating Area



Map: Milton Footpath Rating Area



Map: Owaka Footpath Rating Area



Map: Stirling Footpath Rating Area



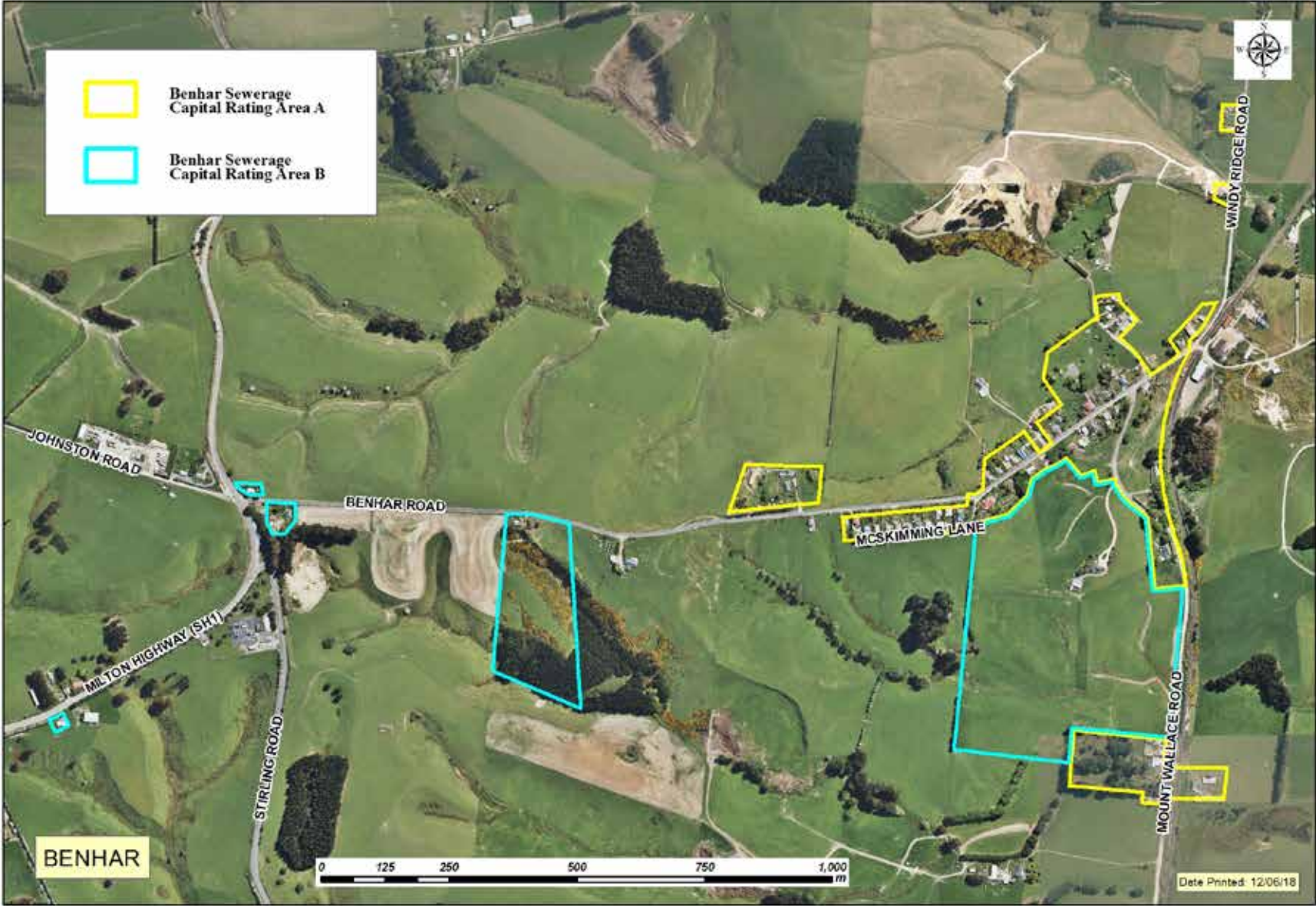
Map: Tapanui Footpath Rating Area



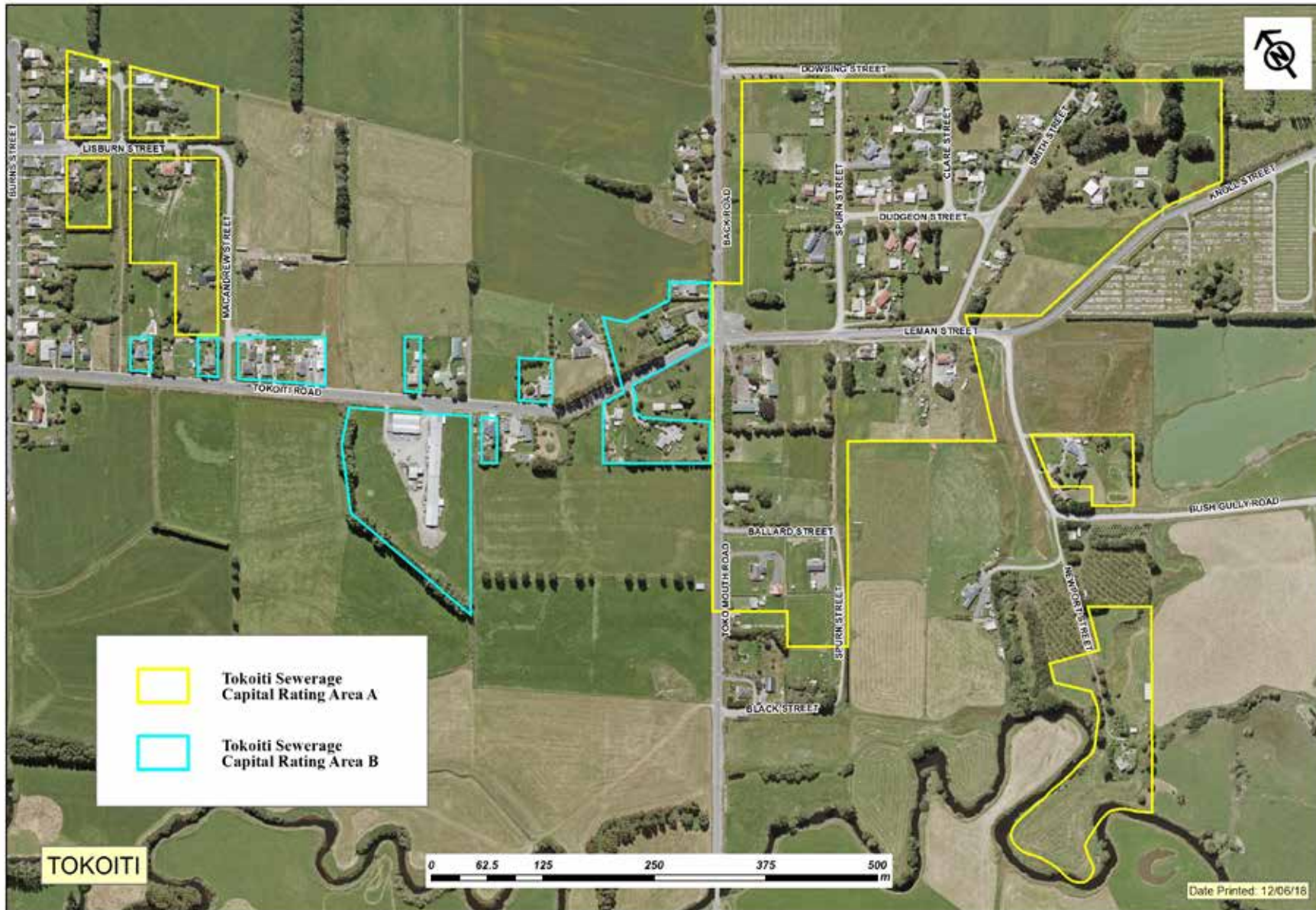
Map: Waihola Footpath Rating Area



Map: Benhar Sewerage Capital Rating Areas A & B



Map: Tokoiti Sewerage Capital Rating Areas A & B

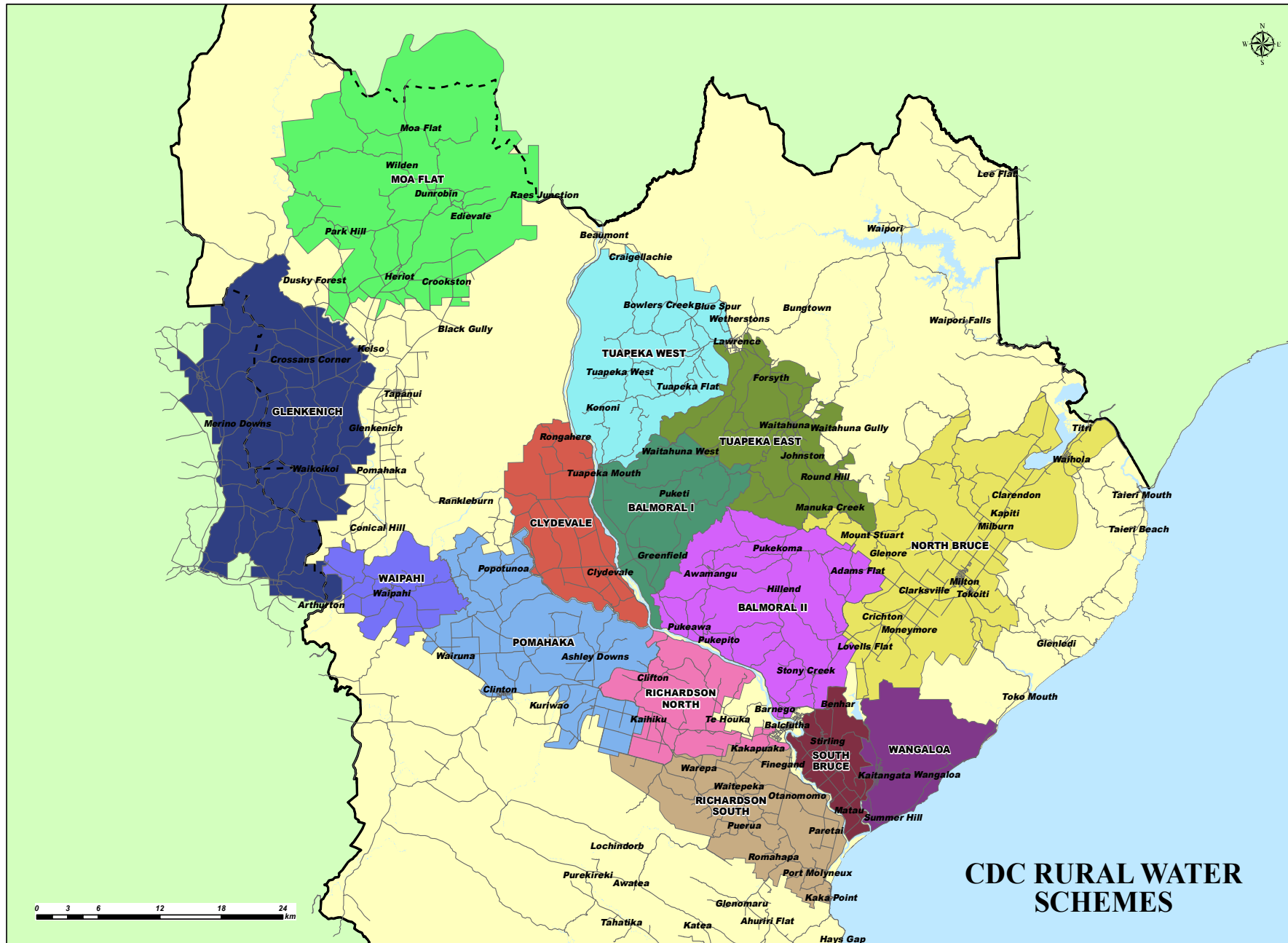


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Map: Community Rating Areas



Map: Rural Water Scheme Rating Areas



CDC RURAL WATER SCHEMES

RATES EXAMPLES

Residential - Balclutha

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 96,000				
Capital Value 350,000				
GENERAL (UAGC)	492	558	527	581
ROADING	326	342	349	330
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	39	58	58	59
TOTAL	2,538	2,751	2,928	3,116

Residential - Clinton

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 15,000				
Capital Value 115,000				
GENERAL (UAGC)	492	558	527	581
ROADING	197	203	207	196
WATER, SEWERAGE & STORMWATER	1,188	1,294	1,418	1,522
COMMUNITY FACILITIES	65	71	93	95
SOLID WASTE	135	158	177	196
OTHER	15	19	19	19
TOTAL	2,092	2,303	2,441	2,609

Information about these rates examples

Council splits the district into different areas for some rates depending on the range and cost of services in each of these areas.

These examples provide an indication of how rates are expected to change based on actual properties within the rating areas.

It is also important to keep in mind that the values of all properties in the Clutha District are reviewed every three years. The latest values were dated October 2020 and will come into effect for rating purposes from July 2021.

The exact rates percentage change for a property will depend on which of the 11 rating areas the property is in, and whether an individual property's value has changed more or less than the average increase/decrease in the district and in that rating area.

Residential - Kaitangata

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 56,000				
Capital Value 180,000				
GENERAL (UAGC)	492	558	527	581
ROADING	283	315	321	301
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	16	30	30	30
TOTAL	2,473	2,696	2,872	3,058

RATES EXAMPLES

Residential - Kaka Point

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 205,000				
Capital Value 425,000				
GENERAL (UAGC)	492	558	527	581
ROADING	343	350	357	333
WATER, SEWERAGE & STORMWATER	1,188	1,294	1,418	1,522
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	52	70	71	72
TOTAL	2,471	2,673	2,840	3,016

Residential - Lawrence

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 81,000				
Capital Value 230,000				
GENERAL (UAGC)	492	558	527	581
ROADING	272	267	272	255
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	87	123	159	162
SOLID WASTE	135	158	177	196
OTHER	149	160	160	164
TOTAL	2,421	2,658	2,822	2,997

Residential - Owaka

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 39,000				
Capital Value 175,000				
GENERAL (UAGC)	492	558	527	581
ROADING	260	268	273	260
WATER, SEWERAGE & STORMWATER	1,188	1,294	1,418	1,522
COMMUNITY FACILITIES	42	52	68	70
SOLID WASTE	135	158	177	196
OTHER	17	29	29	30
TOTAL	2,134	2,359	2,493	2,658

Residential - Milton

	2020/21 (ACTUAL)	2021/22 (ACTUAL)	2022/23 (FORECAST)	2023/24 (FORECAST)
Land Value 120,000				
Capital Value 340,000				
GENERAL (UAGC)	492	558	527	581
ROADING	272	336	342	326
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	124	162	170	198
SOLID WASTE	135	158	177	196
OTHER	32	82	83	83
TOTAL	2,339	2,688	2,826	3,023

RATES EXAMPLES

Residential - Stirling	2020/21	2021/22	2022/23	2023/24
Land Value 93,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 365,000				
GENERAL (UAGC)	492	558	527	581
ROADING	328	337	343	322
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	42	60	61	62
TOTAL	2,544	2,748	2,925	3,111

Residential - Tapanui	2020/21	2021/22	2022/23	2023/24
Land Value 26,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 245,000				
GENERAL (UAGC)	492	558	527	581
ROADING	202	206	209	197
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	35	47	67	69
SOLID WASTE	135	158	177	196
OTHER	169	183	185	191
TOTAL	2,318	2,543	2,693	2,873

Residential - Taieri Mouth	2020/21	2021/22	2022/23	2023/24
Land Value 250,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 620,000				
GENERAL (UAGC)	492	558	527	581
ROADING	342	387	394	366
WATER, SEWERAGE & STORMWATER	159	178	199	210
COMMUNITY FACILITIES	124	162	170	198
SOLID WASTE	0	0	0	0
OTHER	68	128	129	131
TOTAL	1,185	1,413	1,420	1,485

Residential - Waiholo	2020/21	2021/22	2022/23	2023/24
Land Value 150,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 370,000				
GENERAL (UAGC)	492	558	527	581
ROADING	206	230	234	218
WATER, SEWERAGE & STORMWATER	1,188	1,294	1,418	1,522
COMMUNITY FACILITIES	124	162	170	198
SOLID WASTE	135	158	177	196
OTHER	36	87	88	89
TOTAL	2,182	2,489	2,614	2,804

RATES EXAMPLES

Lifestyle	2020/21	2021/22	2022/23	2023/24
Land Value 330,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 660,000				
GENERAL (UAGC)	492	558	527	581
ROADING	556	512	520	488
WATER, SEWERAGE & STORMWATER	0	0	0	0
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	94	96	97	98
TOTAL	1,539	1,567	1,611	1,674

Commercial	2020/21	2021/22	2022/23	2023/24
Land Value 485,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 690,000				
GENERAL (UAGC)	492	558	527	581
ROADING	1,214	853	872	788
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	117	114	115	117
TOTAL	3,369	3,159	3,330	3,435

Industrial - Rural	2020/21	2021/22	2022/23	2023/24
Land Value 241,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 2,626,000				
GENERAL (UAGC)	492	558	527	581
ROADING	1,288	1,276	1,298	1,220
WATER, SEWERAGE & STORMWATER	1,285	1,392	1,527	1,639
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	400	434	437	444
TOTAL	3,727	3,902	4,079	4,194

Industrial - Urban	2020/21	2021/22	2022/23	2023/24
Land Value 405,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 1,380,000				
GENERAL (UAGC)	492	558	527	581
ROADING	1,355	1,060	1,082	994
WATER, SEWERAGE & STORMWATER	1,765	1,955	2,133	2,292
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	135	158	177	196
OTHER	207	228	230	233
TOTAL	4,216	4,202	4,439	4,607

RATES EXAMPLES

Rural - Dairy 1	2020/21	2021/22	2022/23	2023/24
Land Value 2,850,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 3,410,000				
GENERAL (UAGC)	984	1,116	1,055	1,162
ROADING	4,420	3,674	3,739	3,476
WATER, SEWERAGE & STORMWATER	0	0	0	0
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	615	564	568	577
TOTAL	6,280	5,596	5,651	5,525

Rural - Sheep & Beef 2	2020/21	2021/22	2022/23	2023/24
Land Value 6,034,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 7,039,000				
GENERAL (UAGC)	1,968	2,231	2,109	2,323
ROADING	10,486	7,700	7,837	7,283
WATER, SEWERAGE & STORMWATER	0	0	0	0
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	1,416	1,164	1,172	1,190
TOTAL	14,132	11,338	11,408	11,108

Rural - Sheep & Beef 1	2020/21	2021/22	2022/23	2023/24
Land Value 2,820,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 3,310,000				
GENERAL (UAGC)	492	558	527	581
ROADING	4,100	3,556	3,620	3,359
WATER, SEWERAGE & STORMWATER	0	0	0	0
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	567	547	551	560
TOTAL	5,420	4,904	4,988	4,811

Rural - Dairy 2	2020/21	2021/22	2022/23	2023/24
Land Value 5,800,000	(ACTUAL)	(ACTUAL)	(FORECAST)	(FORECAST)
Capital Value 7,590,000				
GENERAL (UAGC)	984	1,116	1,055	1,162
ROADING	9,172	7,593	7,729	7,173
WATER, SEWERAGE & STORMWATER	0	0	0	0
COMMUNITY FACILITIES	261	243	290	311
SOLID WASTE	0	0	0	0
OTHER	1,368	1,255	1,264	1,284
TOTAL	11,785	10,206	10,338	9,929

REVENUE AND FINANCING POLICY 2021

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 (as required by Section 103).

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.

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 LGA.

Operating expenditure is primarily funded through general and targeted rates, fees and charges.

External funding assistance is provided for roading and waste minimisation. Council will generate cash 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.

Capital expenditure 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.

Government funding, e.g. stimulus and tourism infrastructure is also utilised for capital projects.

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, 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.

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, public toilets, sewerage treatment upgrades, resource management and building control activities. These rates are set either as a rate per dollar of land or 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, capital 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 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 local roading 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 use 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 reserve funds. Interest income from Council's reserves is used to:

- Offset the uniform annual general charge and thus reduce the rates that would otherwise be levied to fund Council's activities.
- Increase the value of depreciation reserves and special funds.
- Increase the value of investment reserves noting that the investment reserve (a treasury function) carries the risk attached with interest rate volatility.

BORROWING

Council utilises external borrowing 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 and Clutha Community Hub.

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 LGA, Council is entitled to apply development contributions to new development. Previously Council has chosen not have a development contribution policy, in favour of financial contributions under the Resource Management Act 1991. However Council will look to introduce Development Contributions by 18 April 2022 as required by the Resource Legislation Amendment Act 2017, unless this requirement changes as a result of RMA reform.

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 Waka Kotahi (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. Council will continue seeking external funding for tourism-related infrastructure.

RESERVE FUNDS (SPECIAL AND DEPRECIATION)

Council has a number of reserve funds. These funds generally assist future capital expenditure. As outlined previously depreciation funds are used towards funding capital renewal works. Special funds are also generally used for funding capital renewals and new capital.

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.

Our vision: Clutha is a great place to live, work & play.

Our outcomes:

Vibrant rural towns and communities
Respected and sustainable environment
Connected and collaborative

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

CIVIC

Activity Description

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

Community Outcome

Connected and collaborative.

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.

Funding methods

Council: 100% UAGC.

Liability Funding: 100% UAGC. A 2017 legal determination concluded Council had to pay a liability in relation to significant contractual works undertaken some years ago. The non-asset related portion has been funded from a combination of reserves with the remainder allocated as a Governance cost.

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 health centre in Tapanui.

Community Outcome

Vibrant rural towns and communities.

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

Vibrant rural towns and communities.

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

Fostering social well-being of the community through activities such as youth development and provision of grants to community groups.

Community Outcome

Connected and collaborative.

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.

COMMUNITY PROJECTS

Activity Description

Financial support for projects and initiatives that

support community well-being in the following areas that make up our district: Bruce, Catlins, Clinton, Lawrence-Tuapeka, Lower Clutha, and West Otago.

Community Outcome

Connected and collaborative

Who benefits?

Community-by-community benefits.

Timeframe of benefits

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

Contribution to need

Residents and ratepayers in that community.

Costs and benefits of distinct funding

Benefit from distinct funding by community.

Funding methods

Project Bruce: 100% Bruce Community Rating Area uniform charge.

Rationale

Largely a community-by-community benefit, therefore it is funded over the community of interest.

ECONOMIC DEVELOPMENT PROPERTY

Activity Description

Property for contributing to economic growth through industrial, commercial or residential development.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Primarily a district-wide benefit, stimulating or reducing barriers to economic growth, supporting housing for our workforce, and adding new ratepayers.

Timeframe of benefits

Medium to long term.

Contribution to need

All residents, businesses and ratepayers.

Costs and benefits of distinct funding

Distinct funding ensures an additional source of funding that does not impact on ratepayers.

Funding methods

100% Other – Funded by sale of surplus property, loans, and/or sale of development property. A cost recovery or 'rates neutral' approach is taken to funding.

Rationale

Funding from other sources ensures that the ratepayer is not paying for economic development property.

ROADING

Activity Description

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

Community Outcome

Connected and collaborative.

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 Waka Kotahi, 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 approximately 37% of Council's costs. This includes 90% of arterial roads, 50% of collector roads and 10% of local roads.

The remaining approximately 63% of the rates requirement is funded by a targeted rate differentiated on location made up of a minimum charge per SUIP based on level of service, 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 and 80% of Balclutha, Lawrence & Milton costs on a uniform community-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

Vibrant rural towns and communities.

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.

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.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Private benefit for those who obtain and use water.

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 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

Respected and sustainable environment.

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 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 Tokoiti and Pounaweia: 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.

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 minor stormwater works throughout the district.

Community Outcome

Respected and sustainable environment.

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).

Rationale

Those who benefit from the provision and development of stormwater schemes in their areas pay for those costs.

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.

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 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.

Contribution to need

Residents, ratepayers and visitors.

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.

PUBLIC TOILETS

Activity Description

Provision of public toilets and camper van dump stations throughout the district.

Community Outcome

Respected and sustainable environment.

Who benefits?

Private benefit to users of the facilities, public benefit from providing such facilities to for locals and visitors 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

Residents and visitors.

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

Approximately 50% UAGC and approximately 50% district-wide CV based rate.

Rationale

A 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

Connected and collaborative.

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

Approximately 55% Fees and Charges and approximately 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.

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 (excluding economic development property).

Community Outcome

Connected and collaborative.

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.

COMMUNITY FACILITIES

Activity Description

Includes the following:

- Funding of halls and community centres throughout the district.
- Provision of swimming pools in Balclutha and Milton.
- Provision of green spaces including parks, reserves, playgrounds and sportsgrounds.

- Grant towards construction and operation of the Clutha Community Hub.
- Grant towards construction and operation of the multi-purpose Cross Recreation Centre.
- Grant towards the construction of an extension to the Clutha Gold Trail from Lawrence to Waihola.

Community Outcome

Vibrant rural towns and communities.

Who benefits?

Public benefit from having the facilities available and for those who have the facilities in their community.

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

Balcutha and Milton Pools: 10-15% fees and charges; 40-45% UAGC; 40-45% targeted uniform rate (Bruce and Lower Clutha areas).

Halls and community centres: 12-18% fees and charges; 41-44% UAGC; 41-44% targeted uniform rate.

Parks, Reserves and Playground

Approximately 50% UAGC and approximately 50% targeted.

Sportsgrounds: 2-8% fees and charges, 46-49% UAGC, 46-49% uniform targeted rate.

Cross Recreation Centre: Approximately 50% UAGC and approximately 50% uniform targeted rate (Lower Clutha area).

Clutha Community Hub: Approximately 50% UAGC and approximately 50% uniform targeted rate (Lower Clutha area).

Clutha Gold Trail Extension: Approximately 50% UAGC, and approximately 50% uniform targeted rate (Lawrence-Tuapeka and Bruce areas).

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.

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

Respected and sustainable environment.

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

Approximately 30% targeted uniform rate per SUIP (based on availability of kerbside collection service); and approximately 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

Respected and sustainable environment.

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

Respected and sustainable environment.

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

60-70% Fees and charges; 30-40% 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

Vibrant rural towns and communities.

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

Approximately 90-95% Fees and charges; and approximately 5-10% 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

Vibrant rural towns and communities.

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

Vibrant rural towns and communities.

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 from structurally sound public buildings.

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

Vibrant rural towns and communities..

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.

COMPLIANCE

Activity Description

Protection of public health and safety through livestock control, litter enforcement, abandoned vehicles, parking enforcement, noise control and related administrative support.

Community Outcome

Respected and sustainable environment.

Who benefits?

All of community benefits from compliance activities.

Timeframe of benefits

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

Contribution to need

The public who want to ensure a safe, safety and protection from nuisance outlined in the above description.

Costs and benefits of distinct funding

No benefit from distinct funding.

Funding methods

100% district-wide CV based rate.

Rationale

The funding mechanisms reflects the individual and wider community benefits

The funding mechanism proposed is 100% district-wide CV based rate.

EMERGENCY SERVICES

Activity Description

Includes:

Emergency management (civil defence) including 'reduction, readiness, response and recovery' actions. Funding for tanker replacements prior to 1 July 2017 fire services amalgamation.

Community Outcome

Connected and collaborative.

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.

Funding methods

100% UAGC.

Rationale

Funding through the UAGC reflects the 'people focus' of Emergency Services.

Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	OTHER	FEES & CHARGES	GENERAL RATES		TARGETED RATES	
				UNIFORM ANNUAL GENERAL CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON LOCATION OF AVAILABILITY OF SERVICE UNIFORM CHARGE	LAND VALUE (LV)
Community Leadership	Governance	Council		100%			
		Contract Liability Funding		100%			
		Community Boards		100%			
	West Otago Health		100%				
Economic & Community Development	Economic Development		100%				
	Community Development		100%				
	Community Projects		100%				
	Economic Development Property		100%				
Roading	Roading (balance after Waka Kotahi subsidy)				37% ¹	63% ²	
	New footpaths		100%				
	District-Wide Main Street	Balclutha, Milton & Lawrence	20%		80%		
Water Supply	Urban Water Supply		100%				
	Rural Water Scheme		100%				
Sewerage	Sewerage		100%				
	District Sewerage Upgrade Support				10%	90%	
	Benhar, Tokoiti & Pounaweia Capital				10%	90%	

¹ District roading component ² Local roading component

Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	OTHER	FEES & CHARGES	GENERAL RATES			
				DISTRICT-WIDE RATES		TARGETED RATES	
				UNIFORM ANNUAL GENERAL CHARGE (UAGC)	CAPITAL VALUE (CV)	RATES BASED ON LOCATION OF AVAILABILITY OF SERVICE	LAND VALUE (LV)
						UNIFORM CHARGE	
Stormwater	Urban Stormwater					100%	
	Libraries		5-10%	90-95%			
	Service & Information Centres		5-10%	90-95%			
	Cemeteries		55%	45%			
	Public Toilets			50%	50%		
	Community Housing and Other Property		100%				
	<i>Community Facilities</i>						
Community Services	Swimming Pools		10-15%	40-45%		40-45%	
	Parks, Playgrounds & Reserves			50%		50%	
	Sportsgrounds		2-8%	46-49%			46-49%
	Halls & Community Centres		12-18%	41-44%		41-44%	
	Clutha Gold Trail			50%		50%	
	Clutha Community Hub			50%		50%	
	Cross Recreation Centre			50%		50%	

Summary of Funding Mechanisms

ACTIVITY GROUP	ACTIVITY	OTHER	FEES & CHARGES	GENERAL RATES		TARGETED RATES	
				UNIFORM ANNUAL GENERAL CHARGE (UAGC)	DISTRICT-WIDE RATES CAPITAL VALUE (CV)	RATES BASED ON LOCATION OF AVAILABILITY OF SERVICE UNIFORM CHARGE LAND VALUE (LV)	
Solid Waste Management	Waste Collection & Disposal		70%			30%	
	Waste Minimisation			100%			
	Resource Management		60-70%		30-40%		
Regulatory & Emergency Services	Animal Control		90-95%	5-10%			
	Environmental Health		10-15%	85-90%			
	Building Control		80-90%		10-20%		
	Compliance				100%		
	Alcohol Licensing		100%				
	Emergency Services*				100%		

* Civil Defence and Rural Fire

OVERALL FUNDING CONSIDERATION

We are required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows us, as a final measure, to modify the overall mix of funding in response to these considerations.

1. We are required to adjust the total amount collected from the 'uniform annual general charge' portion of the general rate to be within the 30% rule. If the sum of the activities to be funded from the uniform annual general charge is more than the 30% cap, we will adjust the rate down to the cap and the balance will be funded from the general rate.
2. We may use accounting provisions to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.

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 & Property 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; or in order to ensure the settlement of outstanding rates, provided that the ratepayer has made an arrangement to pay over an extended period. It is also to enable the reduction or waiver of penalties on rates for ratepayers in temporary financial difficulty or hardship due to reduced income.

Conditions and criteria

Automatic remission of the penalties will apply to those ratepayers that have an agreed and sufficient (to cover current rates and arrears) automatic payment or direct debit plan in place.

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.

The Council may remit small balances due to cash rounding.

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.

If an arrangement to pay rates and/or clear outstanding rates is not adhered to, the Council can apply penalties from when the arrangement is breached (noting that remissions cannot be reversed).

To support the ratepayer's hardship claim the application must include evidence from their bank, accountant or registered budget advisor demonstrating reduced revenue from commercial/ industrial properties, or reduced income from residential properties.

Ratepayer's consent to contact their bank, accountant or registered budget advisor is also required as part of the application. Penalties will be waived if the Council is satisfied that the ratepayer was in financial hardship and the ratepayer can immediately pay all outstanding rates, or agree to a payment plan for outstanding rates and those due within the next six months via direct debit.

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

Review of Remissions

All remissions granted will be reviewed every three years, or if new information is provided, whichever is earlier. 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
 - d) the likely period before the ratepayer's financial position could be expected to improve;
 - e) 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 Group Manager Corporate Services, will report annually to the Corporate & Property 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 & Property 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 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:-

- (a) 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—

- (i) 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 2023.

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 2021/31 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.