

*Waimate 2020*

**Waimate District Council  
Financial Policy 401**

**Revenue and Financing Policy**



**Version 2.4  
1st March 2006**

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## Financial Policy 401 - Revenue and Financing Policy

### 1. PURPOSE

This Policy is to explain key features of Council's rate setting processes and to show the reasoning behind decisions on how activities of Council are paid for, and by whom.

This Policy is to be read in conjunction with Schedule 401-XXYY where XXYY represents the two part years spanned by the Council's financial year. For example, 401-0405 applies to the 12 months from 1st July 2004 to 30th June 2005.

### 2. BACKGROUND

The Local Government Act 2002 requires production of a Revenue and Financing Policy.

Council's Funding Policy was reviewed and subjected to public scrutiny by means of our previous Annual Plan process in April/May 2002 and updated graph for this year's LTCCP.

Details of the current Funding Policy can be found at the end of the Rates Schedule following this section.

### 3. REVENUE AND FUNDING POLICY

S.103 of the Local Government Act requires that Council's Revenue and Financing Policy must state:

- "the local authority's policies in respect of the funding of operating expenses from a number of sources,

and

- the local authority's policies in respect of the funding of capital expenditure from those same sources".

The guiding principles and practical mechanisms by which Council ensures appropriate funding of its operating expenses and capital expenses, centre around Council's division

of the activities it undertakes into accounting cost centres, and the appropriateness of the funding of those cost centres by the range of revenue types available to Council.

Typically, the accounting cost centre for Council takes the (summarised) form of:

	Budgeted Income other than rates	<ul style="list-style-type: none"> <li>▪ from users of services</li> <li>▪ from Central Government subsidy</li> <li>▪ from Community Grants</li> <li>▪ from donations</li> </ul>
<b>A</b>		
<b>minus</b>	Less Operating Expenditure for current year	
<b>B</b>		
<b>minus</b>	Less Depreciation charge for current year	
<b>C</b>		
<b>minus or plus</b>	Less Interest charged to activity in deficit or plus interest paid to activity in surplus	
<b>D</b>		
<b>plus</b>	Plus proportion funded from the general rates to balance revenue and expenditure	
<b>E</b>		

<b>equals</b>	Equals a result of Zero
<b>0</b>	(Except where the requirement to “Balance the Books” every year can be departed from in terms of the longer term benefit)

This model achieves the accounting objectives of:

- Paying for operating expenses in the year they occur.
- Paying for capital expenses over the lifetime of the asset they create, by means of annual depreciation charge.
- Maintain fairness between activities which operate at a deficit and those which operate at a surplus by allowing them to be charged or paid interest respectively.
- Achieve a “balancing of the books” by each year identifying a \$ rate contribution that will pay for the difference between an activity’s operating expenditure plus depreciation, less income available to the activity from user-pays and grants and subsidies.
- Provides for the expenses of Council’s activities to be paid for fairly by those ratepayers who use and enjoy them by means of sources of income collected both externally and in line with Council’s publicly consulted Funding Policy.

### 3.1. Sources of Income

The sources of income referred to by the Act are:

- General Rates, including:
  - Choice of Valuation System;
  - and
  - Differential rating;
  - and

- Uniform Annual General Charges
- Targeted Rates
- Fees and Charges
- Interest and Dividends from Investments
- Borrowing
- Proceeds from Asset Sales
- Proceeds resulting from Trading organisation income
- Development Contributions
- Financial Contributions under the Resource Management Act 1991
- Grants and Subsidies
- Other

### 3.2. Waimate District Council use of Income Sources

The methods by which the Waimate District Council makes use of these sources are:

#### 3.2.1. General Rate

Waimate District Council makes a General Rate charge on the capital value of rating units within its District. This General Rate is applied at two differing charges being –

- General Rate Rural
- General Rate Urban

General Rates are charged by Waimate District Council in order to fund Council Activities that have benefit for the whole of our community.

#### 3.2.2. Targeted Rates

These are used by the Waimate District Council to recover costs of specific activities of the

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Council according to the use made of those activities by ratepayers and by the proximity of ratepayers to them. A targeted rate may be set on a uniform basis for all rateable land or differentially for different categories of rateable land. Categories of rateable land must be defined by reference to some or all of the matters listed in Schedule 2 to the Local Government (Rating) Act 2002. Where the ratepayer is using or enjoying a service funded by Council, which can be identified, liability for targeted rates can also be calculated according to the rating factors set out in Schedule 3 to the Local Government (Rating) Act 2002.

The matters which may be used to define categories of rateable land set out in Schedule 2 of the Local Government (Rating) Act 2002 (“Schedule 2 Matters”) are:

<b>Matter 1</b>	The use to which the land is put.
<b>Matter 2</b>	The activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under an operative district plan or regional plan under the Resource Management Act 1991.
<b>Matter 3</b>	The activities that are proposed to be permitted, controlled or discretionary activities, and the proposed rules for the area in which the land is situated under a proposed district plan or proposed regional plan under the Resource Management Act 1991, but only if-  (a) no submissions in opposition have been made under clause 6 of the Schedule 1 of that Act on those proposed activities or rules, and the time for making submissions has expired; or  (b) all submissions in opposition, and any appeals, have been determined, withdrawn or dismissed.
<b>Matter 4</b>	The area of land within each rating unit.
<b>Matter 5</b>	The provision or availability to the land of a service provided by, or on behalf of, the local authority.
<b>Matter 6</b>	Where the land is situated.

<b>Matter 7</b>	The annual value of the land.
<b>Matter 8</b>	The capital value of the land.
<b>Matter 9</b>	The land value of the land.

The factors set out in Schedule 3 of the Local Government (Rating) Act 2002 (“Schedule 3 Factors”) are:-

<b>Factor 1</b>	The annual value of the rating unit.
<b>Factor 2</b>	The capital value of the rating unit.
<b>Factor 3</b>	The land value of the rating unit.
<b>Factor 4</b>	The value of improvements to the rating unit.
<b>Factor 5</b>	The area of land within the rating unit.
<b>Factor 6</b>	The area of land within the rating unit that is sealed, paved, or built on.
<b>Factor 7</b>	The number of separately used or inhabited parts of the rating unit.
<b>Factor 8</b>	The extent of provision of any service to the rating unit by the local authority, including any limits or conditions that apply to the provision of the service.
<b>Factor 9</b>	The number or nature of connections from the land within each rating unit to any local authority reticulation system.
<b>Factor 10</b>	The area of land within the rating unit that is protected by any amenity or facility that is provided by the local authority.
<b>Factor 11</b>	The area of floor space of buildings within the rating unit.
<b>Factor 12</b>	The number of water closets and urinals within the rating unit.

Note 1	For the purposes of clauses (Factors) 1 to 5, 8, and 10, 'rating unit' includes part of a rating unit.
Note 2	For the purposes of clause 4, value of improvements is the value calculated in accordance with the following formula: $c - l$ where $c$ is the capital value of the rating unit and $l$ is the land value of the rating unit.
Note 3	For the purposes of clause 8, the extent of provision of a service to the land must be measured objectively and be able to be verified.
Note 4	For the purposes of clause 12, a rating unit used primarily as a residence for 1 household must not be treated as having more than 1 water closet or urinal.

The targeted rates applied by the Waimate District Council are:

### 3.2.3. Targeted Rates Charged Differentially by Category:

Category	Schedule 2 Matter used to define Category
Urban (includes Waimate, St Andrews, Makikihi)	Matter 2 - activities permitted under operative district plan.
Deep Creek Ward	Matter 2 - activities permitted under operative district plan. Matter 6 - Where the land is situated.
Rural Wards (other than Deep Creek Ward)	Matter 2 - activities permitted under operative district plan. Matter 6 - Where the land is situated.

For charges, refer to Schedule 401-XXYY for relevant year.

A matrix setting out the activities of Council paid for by these targeted rates, is set out

earlier in this policy - see "Funding Impact Statement."

### 3.2.4. Targeted Rates calculated in accordance with Schedule 3 Factors:

For \$ value of charge, refer to Schedule 401-XXYY for relevant year.

Type of Charge	Factor upon which Charge is made
Sewer Charge (for connections to Waimate sewerage scheme)	<b>Factor 9</b> – The number of connections within the Rating Unit to WDC's reticulation system
	<ul style="list-style-type: none"> <li>Each separately rateable property</li> </ul>
	<ul style="list-style-type: none"> <li>Each separately rateable property to which a sewer can be, but is not, supplied</li> </ul>
	<b>Factor 12</b> – Number of water closets within a Rating Unit
	Properties with more than 2 but less than 11 water closets – per water closet
	Properties with 11 or more water closets – per water closet
<b>St Andrews Sewer</b>	<b>Factor 9</b> – The number of septic tanks subject to ECan consent within the rating unit.
	<ul style="list-style-type: none"> <li>Each separately rateable property, St Andrews urban scheme</li> </ul>

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<b>Refuse Collection</b>	<p><b>Factor 7</b> – Per the number of separately used or inhabited parts of the Rating Unit, according to location as follows:</p> <p>Such properties as have a building erected thereon and in respect of which the Council is prepared to provide the service for all Residential Zoned areas (except Hakataramea) as defined in Council’s District Plan:</p> <ul style="list-style-type: none"> <li>▪ Waimate Urban Area, plus</li> <li>▪ Urban Zoned areas of Makikihi, Glenavy, Morven, St Andrews</li> </ul>
<b>Refuse Collection by Wheelie Bins</b>	<p><b>Factor 8</b> – According to the service provided to the Rating Unit, upon request</p> <ul style="list-style-type: none"> <li>▪ Waimate Urban area, plus</li> <li>▪ Urban Zoned areas of Makikihi, Glenavy, Morven, St Andrews</li> <li>▪ Other Areas (typically zoned Rural)</li> </ul>
<b>Recycling</b>	<p><b>Factor 8</b> - Differentiated according to the service provided to the Rating unit, i.e. is the rating unit on the route for recyclables collection or not.</p>

<b>Water Charges</b>	<p><b>Factor 8</b> – The service which the Local Authority provides based on number of litres available per day:</p> <ul style="list-style-type: none"> <li>▪ Cannington-Motukaika</li> <li>▪ Lower Waihao</li> <li>▪ Otaio-Makikihi</li> <li>▪ Waihaorunga</li> <li>▪ Waikakahi</li> <li>▪ Hook-Waituna</li> <li>▪ Hook-Waituna Irrigation</li> </ul>
	<p><b>Urban Water Scheme</b></p> <p><b>Factor 9</b> – The number of connections within the Rating Unit to WDC’s reticulation system</p> <ul style="list-style-type: none"> <li>▪ Waimate Urban area – properties using water from the urban scheme</li> <li>▪ Waimate Urban area – properties NOT using water from the urban scheme (Vacant properties) but which can be supplied</li> </ul>
	<p><b>Downlands Water Scheme</b></p> <p><b>Factor 8</b> – The service which the Local Authority provides based on number of litres available per day</p>

**NOTE:**

Some properties in the Waimate District are able to receive water from the Downlands Water Scheme, which is administered by the Timaru District Council. In the case of these properties the charges are as per schedule 401-XXYY.

This rate is collected by Waimate District Council, but then paid over to Timaru District Council.

<b>Elephant Hill Drainage District</b>	<b>Factor 10</b> – The area of land within the Rating Unit that is protected by any amenity or facility provided by the Local Authority:
	▪ Class I land per \$ land value
	▪ Class II land per \$ land value

### 3.2.5. Fees and Charges

Fees and charges (also known as user pays charges) are set by Waimate District Council, taking into account a range of relevant factors.

#### Can the user of a Council activity be specifically identified?

E.g. in the case of a person applying for a building permit this is simple, in the case of a report of wandering stock or dogs, where the Animal Control officer travels to the location reported, but the animal is not found, this may not be possible.

#### What will the Market bear?

E.g. Council needs to be mindful of fees set by other Councils (eg Swimming Pool admission charge, Library fees, cemetery fees, Building Control fees) in order that they do not discourage use of our Council's services, by over charging.

#### Statutory component

Some fees and charges are set by agencies outside of Council, which Council are legally required to pass on eg NZ Fire Service Levies, Building Industry Association and Building Research Association of New Zealand levies, in relation to building consents.

#### In relation to recovery of Council's costs

Council will typically maximise the fee or charge in order to maximise the recovery of it's incurred costs targeting those benefiting from a Council service, or causing a problem that Council remedies, within the limits of being fair and equitable (eg seizure of a stereo in relation to a noise complaint is \$100, regardless of location and travel time).

### Objectionable acts or breaking of by-laws

The level of charge is set as a penalty, to provide a form of discouragement.

A full schedule of Council fees and charges is found at the conclusion of LTCCP Volume 4.

Community Centre Fees	<b>Factor 10</b> – The area of land within the Rating Unit that is protected by any amenity or facility provided by the Local Authority:
	St Andrews Community Centre
	Ikawai Memorial Community Centre
	Arno Community Centre
	Waihaorunga Community Centre
	Glenavy Community Centre
	Hunter Community Centre
	Southburn Community Centre
	Studholme Community Centre
	Hook Community Centre
	Kurow Community Centre
	Willowbridge Community Centre
	Waituna Creek Community Centre
Makikihi Community Centre	
Otaio Community Centre	

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## 3.2.6. Interest and Dividends from Investments

These sources of income are credited to Council's central Treasury Department which is also funded by Council's General Rate.

Therefore, any gains from interest earned or dividends received are utilised to reduce the General Rate Charge, which benefits all ratepayers of the Waimate District.

In the case of the Water Schemes, any gains from interest earned or dividends received, are allocated to the respective water scheme's account.

## 3.2.7. Borrowings

### Reasons Why Council May Borrow

Generally, Councils are bound by the principle of good financial management, known as the requirement to balance the books each year, for each year of activity of Council. This means that generally, Council will budget for the cost to be incurred in each activity, budget for income expected to be received from that activity, and then calculate a rates charge to fund the remaining unfunded costs. Exceptions to the balance the books principle are:

**Intergenerational Assets** – where Council purchases assets which will be used by the community over a period of future years, the cost of these assets are charged to the community over the period of their future expected useful lifetimes, using the mechanism of annual depreciation charges. The cash flow impact of purchasing such assets, can give rise to a Council borrowing, in year one of the lifetime of such assets.

**Forestry Income** – Council has created a long-term management plan for its Forestry Investments, which identifies a series of irregular instalments of income from harvesting in future years. In order to share the benefits of forestry income fairly amongst ratepayers in all years, Council has calculated an averaged figure for Forestry Income, which is applied as a reduction of \$200,000 to rate requirement each year. This \$200,000 reduction to annual rate take may be funded by borrowing.

**Activities which fall into deficit for unplanned reasons** – From time to time, and despite budgeting for rates to fund an activity on an annual basis, an activity may fall into deficit. Reasons for this may include actual income being less than budget income, or actual expenses being greater than budget expenses, for reasons beyond Council's control, or in

relation to key uncertainties (see earlier in this volume) to which Council is subject. In such circumstances of deficit, the negative impact on Council's cash flow may lead to a requirement for borrowing.

All borrowings made by Council are administered by Council's central Treasury Department.

Where the borrowing is to support general purposes of Council, the cost of borrowing is a charge to the Treasury Department, which will ultimately be funded by the General Rate and be borne by all of the ratepayers of the Waimate District.

Where the borrowing can be identified to a specific activity of Council (e.g. Roothing works, local Water Scheme), the cost of borrowing is ultimately borne by the separately identified activity of Council, and the groups of ratepayers that Council's Funding Policy associates with that activity.

### An example:

If Council resolved to borrow funds in order to upgrade the Lower Waihao Water Scheme, then the interest costs of that loan would pass to Council's accounting cost centre for Lower Waihao Water Scheme. In order to "balance the books" for the Lower Waihao Water Scheme, a rate charge would be set that included payment of the interest charge. The rates would be then paid by the users of the Lower Waihao Water Scheme.

## 3.2.8. Proceeds from Asset Sales

For the purposes of conducting its operations, Council retains ownership of a range of assets. From time to time and for varying reasons, these assets may be sold, e.g.

A sale resulting from normal operations such as a large loader at the Resource Recovery Park may be sold as it approaches the end of its working life and becomes worn out.

or

A sale resulting from a change in service level, Council may resolve to cease to conduct a certain activity and may sell land and buildings associated with that activity. A real life past example is where Council resolved it was more economic to have fleet vehicles serviced by outside garages, and sold the land and buildings previously used as "Council Yard".

The impact that proceeds from sales of assets will have on rates, is determined by two factors:

- The scale/size of the proceeds
- The extent to which the sale proceeds were able to be foreseen in Council's previous Annual Plan.

In our example of the sale of a loader from the Resource Recovery Park, the proceeds from the sale would appear in the solid waste disposal cost centre as operating income in the year the sale occurred, and would thus reduce the rate requirement in that cost centre in that same year.

In the example of the sale of the Council yard, Council considers this sale to be strategic in nature, not simply operational. The sale proceeds of a much larger amount will be credited to the equity of the relevant cost centre rather than the operating income, thus creating a more enduring and long-term benefit to the ratepayer by allowing the relevant cost centre to earn interest on this windfall in current and future years.

### 3.2.9. Development Contributions

Reference should also be made to Council Policy 404 entitled, "Policy on Development and Financial Contributions".

Council's policy on development contributions provides that, where land is subdivided for residential purposes, and the development exceeds \$1 million in value, a reserve contribution is required from the developer of 5% of the average value of the allotments.

Council then uses these monies to enhance existing or provide new land for open space and recreation within the Waimate District, or in the case of the subdivision portion of a development where the subdivision is part of or close to a waterway, to ensure a reasonable level of access to waterways or to enhance and maintain water quality and aquatic habitats.

Council may as its option, ensure the above enhancements and access rights by either buying relevant land or providing esplanade strips during a subdivision process.

### 3.2.10. Financial Contributions Received in Respect of Resource Management Act 1991

Reference should also be made to Council Policy 404 entitled, "Policy on Development and

Financial Contributions".

This rule is applied by Council where a development relates to industrial service, commercial, recreational, community activities and visitor accommodation (not residential activities).

The rule sets out a number of thresholds relating to:

- Water supply connections - larger than 25mm
- Stormwater discharges - exceeding co-efficient of existing discharge for site
- Connection to reticulated sewerage system - for connections other than for staff ablution and kitchen facilities
- Road formation - where not formed to the Plan's standards
- Esplanade provision where adjoining a river or lake

Where these thresholds are exceeded, the Council will make a fair assessment of the cost of the additional infrastructure and this cost will be payable by the developer.

Council will use any such financial contributions received to maintain and upgrade service provision.

### 3.2.11. Grants and Subsidies Received

Council's approach to these is to credit these to the cost centre for the activity of Council most relevant, thus relieving the rate burden for the group of ratepayers the Funding Policy associates with said activity.

Roading subsidies constitute a major percentage of the Council's revenue.

### 3.2.12 Cash Reserves

Waimate District Council does not follow a practice of holding liquidatable cash reserves to match credits arising in the equity position of any of its individual Council Activities.

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## 3.2.13. Other

Waimate District Council has significant investment in Forestry assets (as at 30 June 2002, in excess of 1000 hectares stocked, of trees of various ages valued at \$5.541M).

Council's Asset Management Plan (AMP) for Forestry extrapolates Forestry incomes and expenditures for 30 years into the future at any point in time. This AMP supports a contribution to benefit Waimate District ratepayers every year of \$300,000. Council's policy for the use of this credit is \$200,000 to offset/reduce General Rates, \$100,000 to a fund to maintain Forestry operations as part of sustaining the Forestry Asset Management Plan.

## 3.3 How Council Funds Capital Expenditure

### What is Capital Expenditure.

The term Capital Expenditure, relates to expenditure that provides tangible, physical fixed assets that will contribute to the provision of Council services over a long term period.

### Reasons for Capital Expenditure.

- a) To replace existing Council assets that are worn, obsolete, or at the end of their useful lives.
- b) To enhance a level of service eg in order to provide a recycling activity, Council incurred Capital Expenditure to fund a recycling shed (2005)
- c) To respond to increased demand eg Council may need to incur additional Capital Expenditure in order to respond to increased demand for water from it's water schemes eg construct new bores, enhance pumping equipment, lay pipes with increased diameters.

**Funding of Capital Expenditure is determined by Fixed Asset Type**, and (except for roading) repaid by rates over the period of its useful lifetime.

**Roading Capital Expenditure** – is funded by a combination of subsidy from Land Transport New Zealand (currently 52%) and by a general rates charge in the year the Capital Expenditure occurs.

**Public utilities eg water schemes, sewerage schemes**, Capital Expenditure in these areas is funded by borrowing and repaid by targeted rates and depreciation.

**Buildings, motor vehicles, plant and equipment**, Capital Expenditure in these areas is funded by borrowings and borrowings are repaid by general rate charges offset by rental earnings and hire-out income.

## 3.4. Other Considerations

Additionally, S.101 of the Act requires councils to adhere to principles of good financial management by considering the following in any funding decision in relation to each activity to be funded -

- The community outcomes to which the activity primarily contributes; and
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- The period in or over which those benefits are expected to occur; and
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- The overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

Council achieves consideration of these principles in the following ways:

### 3.4.1. Impact on Community Outcomes

Each activity of Council is related to its ultimate Community Outcome(s) in the way it is integrated into the District's strategic plans. Each activity will relate to an operational objective that supports a strategic direction. The strategy will be aimed at maintaining and/or enhancing one or more Community Outcomes.

Outcomes are grouped into Social, Cultural, Environmental and Economic sectors.

### 3.4.2. Rural v Urban

The distribution of benefits between elements of our community is considered by our Revenue and Financing Policy’s ability to separate Rural v Urban benefits, and to target beneficiaries of Council services.

### 3.4.3. Asset Management Plans

The period over which benefits are matched with charges to ratepayers is calculated with reference to Council’s Asset Management Plans. For example, for an intergenerational asset such as the Waimate Water Supply, the cost of the water supply will be spread across ratepayers not only today, but also throughout the decades to come when the supply infrastructure will continue to serve the Waimate community.

### 3.4.4. Exacerbation

The extent to which the actions or inaction of any particular individuals or group of individuals contributes to the need for Council to undertake an activity is considered by Council to be the Exacerbation Principle. In short, where Council efforts are required due to the actions or inaction of an identified individual or group, the costs of the Council efforts will be charged to that individual or group, so as not to place undue burden on the general ratepayers.

### 3.4.5. Accountability

Where there are costs of providing transparency and accountability for Council activity, can be identified to that activity, they will be charged as an operating expense to that activity and then funded in terms of Council’s Funding Policy for that activity. Where such costs benefit all ratepayers, they will be charged to Council’s cost centre “Public Accountability” and paid for by General Rates, for example:

Accountability Document/Process	Who Benefits?	Who Pays for it?
Consultation programme with users of Lower Waihao Water Scheme regarding a planned upgrade	Users of Lower Waihao Water Scheme	Users of Lower Waihao Water Scheme (by targeted rate)
Production of Council’s Annual Report	All ratepayers	All ratepayers (by General Rate)

## 3.5. Impact on Community Outcomes

The Council needs to consider how its rating decisions impact upon the current and future social, economic, environmental and cultural well-being of our District. The way it achieves this is set out in the decision-making requirements of Council’s Policy 301, “Policy on Significance”, which requires Council to discuss and record this quadruple aspect to any decision it takes.

## 4. THE PROCEDURES BEHIND THE FUNDING POLICY

The Funding Policy requires the use of economic principles in the first instance, and the political decision to allocate the costs of expenditure for activities Council chooses to engage in.

A three step process is required:

### 4.1. Step 1: Expenditure Funding Principles

<b>Principle (a)</b>	The costs of expenditure should be allocated across time in a manner that ensures the generations that benefit contribute to those costs
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<b>Principle (b)</b>	Public benefits should be funded in an economically efficient manner
<b>Principle (c)</b>	Private benefits should be funded by those who benefit
<b>Principle (d)</b>	Pollution exacerbators should bear the cost of the actions (or inactions)

## 4.2. Step 2: Modifications – Alternatives

These principles are designed to take into account other dimensions that need to be considered apart from the purely economic, such as fairness and equity, the interests of residents and rate payers, the need for transition arrangements, and specific policies of Council.

The results are taken into account with those arising from the benefits analysis in Step 1 to give modified or alternative results.

## 4.3. Step 3: Funding Mechanism

The principles address the various funding mechanisms that are appropriate, and takes into account practical issues such as practicability, efficiency and cost of collection, and identifying the mechanism with the expenditure to which it relates.

## 4.4. Utility Valuations

Council has wished to approach the issue of equity in applying rate charges to utility entities in a scrupulous manner.

In considering the reasonableness of the proposed rating level, Council considered the levels of service demanded by these utilities, and the appropriateness of a rating mechanism to best match patterns of usage of Council resources.

Recognising their need for roads, resource management, civil defence and governance, it was believed that the level envisaged and the mechanism of the General Rate best related to the

services being received.

Refer to Schedule 401-XXYY for relevant year for details of these apportionments.

## 4.5. Funding Summary

A funding summary is shown in the annual schedule (401-XXYY), which identifies splits in funding for Council functions.

## 5. PUBLICATION DETAILS

All inquiries or suggestions regarding this Document should be referred to:-	Policy Analyst
Proposed Revision	2.6
Revision Date	21st March 2006
Effective Date	1st July 2006
Minimum Review by:	1 March 2007 to align with Annual Plan/LTCCP
Document Owner – Release Signature	Corporate Services Manager
Chief Executive – Release Signature	

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