

Revenue and Financing Policy

Current Revenue Policy

Group Activity	Description	Distribution of benefits and Exacerbator Considerations	Funding sources
Environmental Activity - Air			
Ambient Air Quality	Monitor and report on strategy development and implementation.	The whole community benefits from clean air.	<ul style="list-style-type: none"> 100% general rates regional.
Clean Air Initiatives	Support Cosy Homes Trust for work in Air Zone 1 and Milton.	There is benefit to those living in areas where clean heating appliances are being installed.	<ul style="list-style-type: none"> 100% targeted rates from Air Zone 1 and Milton.
Enforcement of Air Plan Provisions	Undertake enforcement where there is a breach of air plan provisions.	Actions of property owners and industry burning inappropriate materials will cause air pollution requiring enforcement action.	<ul style="list-style-type: none"> 100% fees and charges where possible from those causing the pollution. 100% general rates for costs not recovered by fees and charges.
Environmental Activity - Water			
State of the Environment monitoring	Monitor: <ul style="list-style-type: none"> Quality/quantity of surface and groundwater. Quality of coastal and estuarine water. 	The wider community benefits from state of the environment monitoring.	<ul style="list-style-type: none"> 100% general rates regional.
Implementation of Regional Plan: Water, water quality provisions (6A)	Monitoring and science work to assist measuring water quality and discharges from land, and achieving compliance with water quality standards by 2020.	The activities/practices of farmers, forestry and others cause the need for additional water quality monitoring and science. There is some community benefit from good water quality.	<ul style="list-style-type: none"> 75% targeted rate on the rural sector. 25% general rates regional.
	Investment in research and development.	Wider community benefits from good water quality.	<ul style="list-style-type: none"> 100% reserves.
	Awareness of responsibilities under the plan through education and promotion.	The wider community benefits from having good water quality.	<ul style="list-style-type: none"> 100% general rates regional.
Implementation of Regional Plan: Water - water quantity provisions (1C)	Promote the development of community groups to manage local water resources.	The whole community benefits from ensuring water needs are met, and there is effective water management.	<ul style="list-style-type: none"> 100% general rates regional.
	Provide funding assistance for studies forecasting future water demands, technical investigations, and infrastructure requirements.	There is a wider community benefit from effective water management.	<ul style="list-style-type: none"> 100% reserves.
Coastal Strategy	Development and future implementation of a Coastal Strategy for Otago.	The whole community benefits from the effective management of our coastal resource.	<ul style="list-style-type: none"> 100% general rates regional.

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Environmental Activity - Land			
Biodiversity	Promote and assist the protection of areas of biodiversity in Otago. Develop a Biodiversity Strategy for Otago.	All of Otago benefits from protection areas of biodiversity and environmentally enhancing the region.	<ul style="list-style-type: none"> 100% general rates regional.
	Administer a regional sustainability and enhancement fund on agreed projects.	All of Otago benefits from protection areas of biodiversity and environmentally enhancing the region.	<ul style="list-style-type: none"> 100% reserves.
Pest Management	Manage pest plants and animals through inspections and education on Pest Management Strategy matters.	The wider community benefits from the control of pest plants and animals.	<ul style="list-style-type: none"> 100% general rates regional.
	Research and development for new tools for pest control.	All of Otago will benefit from new pest control tools.	<ul style="list-style-type: none"> 100% reserves.
	Undertake rabbit contract work for third parties.	Land owners benefit directly from contract work undertaken on their private properties.	<ul style="list-style-type: none"> 100% fees and charges.
	Prepare a new Otago Pest Management Plan.	All of Otago will benefit from a new pest plan.	<ul style="list-style-type: none"> 100% general rates regional.
	Undertake enforcement action as required.	Landowner's inaction has resulted in the need to undertake the activity, e.g. review of rabbit control programmes from non-compliant farms.	<ul style="list-style-type: none"> 100% fees and charges.
Environmental Activity - Rivers and Waterway Management			
River Management and monitoring	Routine maintenance to ensure adequate fairway width, enhancement work to improve access etc. Monitor stability and alignment of particular rivers, through river cross section surveys, gravel surveys etc.	Communities within each district benefit from work completed in their areas. Gravel extractors benefit from gravel surveys.	100% targeted rates district (river management rate), noting Queenstown Lakes District Council has two rating areas - Wanaka and Wakatipu. Gravel surveys: <ul style="list-style-type: none"> Fees and charges from gravel fees.
	Contribute to cost of work on private properties re river erosion, where wider benefit generated.	Landholders benefit from work done on properties. Some benefit to wider community.	<ul style="list-style-type: none"> 100% general rates regional. Maximum contribution in place of \$25, 0000 per landowner within a 5 year period.
	Monitor and inspect effects of Contact Energy consent.	Contact Energy consenting activities cause need for monitoring the effects of the consent.	<ul style="list-style-type: none"> 100% fees and charges from Contact Energy.
Environmental Activity - Incident Response			
Incident Response	Respond to pollution incidents and resource management complaints.	The actions of those creating pollution incidents cause the need for council to be involved in this activity. The wider community benefits from clean up and protection.	<ul style="list-style-type: none"> 100% fees and charges where possible, from those causing the incidents. 100% general rates regional for all other costs.

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Community Activity			
Public awareness, democracy, iwi relationships, EnviroSchools	Run council meetings, hold elections, consult with Maori, provide information and advice through media, website, public events, brochures etc. Provide regional co-ordinator role for EnviroSchools in Otago.	The whole of the community benefits from these activities. Those requesting specific information from council benefit from receiving that information.	Information requests that require more than ½ hour response time: <ul style="list-style-type: none"> • 100% fees and charges. For all other activities: <ul style="list-style-type: none"> • 100% general rates regional.
Financial Contributions	Contribute funding to activities for the benefit of the Otago community.	The local community will benefit from work undertaken by Environment Canterbury on the Lower Waitaki River. For other contributions made, the community as a whole will benefit.	For Lower Waitaki River: <ul style="list-style-type: none"> • 100% targeted rates from Lower Waitaki District. For all other contributions: <ul style="list-style-type: none"> • 100% general rates regional.
Response to Issues	Respond to issues such as national policy and legislative proposals, and city and district plans.	The whole of the community benefits from work aimed to help protect the regions resources.	<ul style="list-style-type: none"> • 100% general rates regional.
Regulatory Activity			
Consent Processing, Reviews and Appeals	Process consent applications and hold hearings.	The applicant is the primary beneficiary.	<ul style="list-style-type: none"> • 100% fees and charges.
	Issue certificates, permits and transfers.	The applicant is the primary beneficiary.	<ul style="list-style-type: none"> • 100% fees and charges.
	Appeals	This is determined by the courts.	Recoveries will be awarded by the courts. Other costs: <ul style="list-style-type: none"> • 100% general rates regional.
	Administration	The community benefits from the database of information.	<ul style="list-style-type: none"> • 100% general rates regional.
	Review of consents, e.g. variation to consent - consent holder initiated or council may initiate, e.g. on introduction of a minimum flow.	Consent holder benefits from processing requested review of consent. Wider community benefits from council initiated review of consent.	Consent holder initiated review of consent: <ul style="list-style-type: none"> • 100% fees and charges. Council initiated review: <ul style="list-style-type: none"> • 100% general rates regional.
Compliance Monitoring	Process performance monitoring returns from consent holders.	Consent holders benefit from their ability to exercise consents.	<ul style="list-style-type: none"> • 75% fees and charges from consent holders. • 25% general rates regional.
	Undertake audits to ensure compliance with consent conditions.	Work arises from activities undertaken by identifiable consent holders. Public benefits arise from environmental protection gained through compliance.	<ul style="list-style-type: none"> • 100% fees and charges from consent holders.
	Dairy monitoring re permitted activity rules.	Council work arises from activities undertaken by identifiable landholders.	<ul style="list-style-type: none"> • 100% targeted rate based on the sensitivity of the receiving environment, being the catchment/subcatchment the property is situated in.

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	Other permitted activity inspections.	Public benefits arise from environmental protection gained through compliance.	<ul style="list-style-type: none"> 100% general rates regional.
	Enforcement action where non-compliance found.	Work arises from activities undertaken by identifiable consent holders and others.	<ul style="list-style-type: none"> 100% fees and charges.
Dam Safety	Review impact classifications, process consent applications etc, and enforcement for work not complying with the Building Act/code.	Dam owners benefit from this work. Work arises from actions of dam owners.	<ul style="list-style-type: none"> 100% fees and charges.
	Maintain a database on dams, formulating policy.	The wider community benefits from this work.	<ul style="list-style-type: none"> 100% general rates regional.
Harbour Management	Promote navigation and safety in harbours. Administer bylaws.	Those using the harbour and waterways benefit directly, but it is not possible to identify them.	<ul style="list-style-type: none"> 100% general rates from Dunedin City.
	Respond to oil spills.	Those creating the oil spill cause the need for this activity.	<ul style="list-style-type: none"> 100% fees and charges where possible from those causing incident. 100% general rates regional for remaining costs.
Policy, Strategy, Bylaw	Development, review and audit of ORC's policies, plans, strategies and bylaws.	The whole community benefits from policy development.	<ul style="list-style-type: none"> 100% general rates regional.
Private Plan Changes	Request of third parties to make a change to a council plan, policy etc.	Individuals and groups requesting a plan change benefit from this work.	<ul style="list-style-type: none"> 100% fees and charges.
Bylaw Approvals	Processing applications for works under bylaws.	Those applying to do works are the primary beneficiary.	<ul style="list-style-type: none"> 100% fees and charges.
Flood Protection and Control Works			
Alexandra Flood Protection	Maintenance of flood protection scheme.	Those living within the flood protection area receive a direct benefit. Power generation has contributed to the need for having a flood protection scheme in this area.	<ul style="list-style-type: none"> 2% general rates from the Central Otago District. 98% fees and charges from dam owners.
Leith Flood Protection	Construction of the flood protection scheme.	Those living within flood protection area receive a direct benefit. The local community benefits from continued access to these areas. There is a regional benefit where continued access to regional services, e.g. hospital and CBD etc.	<ul style="list-style-type: none"> 5% general rates regional 2% general rates Dunedin City. 46.5% targeted rates Indirect Benefit Zone. 46.5% targeted rates Direct Benefit Zone.

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Lower Clutha Flood and Drainage	Maintenance of flood protection scheme.	Those living within the flood protection area receive a direct benefit. The local community benefits from continued access to the area.	After receipt of rental income and contribution from Kuriwao reserve: <ul style="list-style-type: none"> • 2% general rates from the Clutha District, • 98% targeted rates on the scheme area.
	Maintain the productive capability of land within each scheme area.	The landowners within the drainage scheme area receive a private benefit.	After receipt of rental income and contribution from Kuriwao reserve: <ul style="list-style-type: none"> • 100% targeted rates.
West & East Taieri and Tokomairiro Drainage	Maintain the productive capability of land within each scheme area.	The landowners within the drainage scheme area receive a private benefit.	After receipt of rental income: <ul style="list-style-type: none"> • 100% targeted rates.
Lower Taieri Flood	Maintenance of the flood protection scheme.	Those living within the flood protection area receive a direct benefit. The local community benefits from continued access to the area. The wider community benefits from continued access to regional services, e.g. airport.	After receipt of rental income: <ul style="list-style-type: none"> • 2% general rates regional. • 2% general rates Dunedin City. • 96% targeted rates on scheme area.
Shotover Delta	Maintenance of the flood protection scheme.	Those living within the flood protection area receive a direct benefit. The wider community benefits from continued access to regional services, e.g. airport.	<ul style="list-style-type: none"> • 2% general rates regional. • 98% targeted rate on flood zone area.
Safety and Hazards			
Emergency Management	Administer the Otago Civil Defence Emergency Management Group. Respond to flood events, issue flood warnings and take action to reduce effects of flooding.	The whole community benefits from Council's readiness to deal with an emergency situation. If an event occurs, those affected will benefit directly from any assistance provided.	<ul style="list-style-type: none"> • 100% general rates regional. • For costs occurred in dealing with an event, recovery will be considered on a case by case basis.
Contaminated Sites	Develop and maintain a centralised database of sites for regional use, and assist with applications for funding remedial works.	The wider community benefits from improvement to the environment. Landowners will benefit from remedial and clean-up work.	Clean up and remedial work: <ul style="list-style-type: none"> • 100% fees and charges where possible. All other costs: <ul style="list-style-type: none"> • 100% general rates regional.
Natural Hazards	Investigate and provide information on the potential impacts of natural hazards and their mitigation.	Studies for specific districts such as flood risk strategies will directly benefit those districts.	Studies for districts <ul style="list-style-type: none"> • 100% general rates sub regional. All other work <ul style="list-style-type: none"> • 100% general rates regional.
	Purchase of LiDAR information to assist assessment of hazards.	Whole community benefits from investigations of natural hazards.	<ul style="list-style-type: none"> • 100% reserves.
	Implement coastal erosion management programme.	The activities of Contact Energy create the need for	<ul style="list-style-type: none"> • 100% fees and charges.

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		the implementation of a coastal management programme.	
Transport Activity			
Regional Transport Planning	Strategy, planning, policy and priority setting for the region.	The whole community benefits from planning the transport needs of the region.	<ul style="list-style-type: none"> 100% general rates regional.
Stock Truck Effluent Disposal	Maintain a stock truck effluent disposal site in Central Otago.	The Central Otago district benefits from this work.	<ul style="list-style-type: none"> 100% general rates on Central Otago District.
Public Passenger Transport	Provide bus services in Dunedin and Queenstown, including bus stops, shelters etc.	Those living in the areas where transport services are provided receive a direct benefit.	<ul style="list-style-type: none"> 100% targeted rates in areas where bus services are provided.
	Public transport planning.	Those living in the areas where transport services are provided receive a direct benefit.	<ul style="list-style-type: none"> 100% targeted rates in areas where bus services are provided.
	Administer the Total Mobility Scheme.	Total mobility users benefit from this; however the scheme is to provide more affordable transport for those who cannot use public transport because of a disability.	<ul style="list-style-type: none"> 100% general rates regional.
	Register services under the Transport Licensing Act.	Service providers benefit from being able to legally operate. Wider community benefits from information held.	<ul style="list-style-type: none"> 50% fees and charges from service providers. 50% general rates regional.

General rates are charged on a capital value basis.

General rates regional are charged on a differential basis based on where a property is situated, i.e., which district or city it is located in.

Finance Policy

Financing the Purchase of Fixed Assets (Excluding Infrastructural Assets)

Council finances its purchases of fixed assets from its Asset Replacement Reserve. Such assets include motor vehicles, plant and equipment and computers.

Depreciation on Council fixed assets is funded and this income is placed in the Asset Replacement Reserve, along with any proceeds from the sale of assets. This reserve also attracts interest income on the balance of the reserve. This reserve is used for the purpose of financing the purchase of fixed assets.

Financing Capital Expenditure on Infrastructural Assets

Most infrastructural assets (such as floodbanks, pumping stations and drains) are assigned to specific special rating districts. Ratepayers within these districts fund the depreciation on these assets. Each special rating district has a "Funded Depreciation Reserve" set up which represents the balance of the amount of depreciation revenue rates for, and any interest earned on reserve balances. The purpose of

this reserve is the funding of capital expenditure and the cost of renewals on the infrastructural assets being depreciated.

It is Council's policy that infrastructural assets be financed by the "Funded Depreciation Reserves", and if there are insufficient funds available in these reserves, borrowing (either internal or external) will be used.

Financing Major Projects

Tools to fund major capital projects will be considered on a case by case basis. Where necessary or appropriate, Council may borrow either internally or externally to fund a major project. Such projects (including the repayment of any associated borrowing) may be funded by any of the funding tools available to Council such as rating, dividend income, reserves, fees and charges and cash balances held by Council. In determining the appropriate funding tools, consideration will be given to matters such as the benefits arising from the project, the project costs, and the impacts and consequences of the project.