



Mackenzie
DISTRICT COUNCIL

Mackenzie District Council

Revenue and Financing Policy

1. INTRODUCTION

This Policy outlines the choices Council has made to determine the appropriate funding of operational and capital expenditure from the sources of funds listed in the Local Government Act 2002 (LGA). The policy also shows how Council has complied with section 101(3). The comprehensive section 101(3) analysis is separately documented in the Funding Needs Analysis. The Council is now seeking submissions on the Policy.

Determining the appropriate way to fund Council activities is complex. It is a process that takes account of many variables including, but not limited to, the following matters:

- Legal
- Social
- Competition
- Affordability
- Impact of change
- Efficiency
- Equity
- Cost
- Intergenerational equity
- Transparency
- Accountability
- Business
- Strategic Alignment
- Benefit

In determining the appropriate Revenue and Financing Policy, Council plans to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The Council will manage its financial affairs prudently and in a manner that promotes the current and future interests of the community. The aim of this policy is to promote consistent, prudent, effective and sustainable financial management of the Council and to fund its activities from the most appropriate source after consideration of who benefits from each activity.

1.1. Funding Principles

Council has determined the following basic principles to guide the appropriate use of funding sources:

- User charges are preferred when a private benefit can be identified and it is efficient to collect the revenue;
- Subsidies, grants and other income options are fully explored prior to rates being used;
- Each generation of ratepayers should pay for the services they receive and borrowing can assist to achieve this outcome;
- Capital expenditure to replace assets that reach their projected economic life is firstly funded from rates, which accumulate in asset renewal reserves until needed. Borrowing is then used if there is a shortfall in the total funding required;
- Capital expenditure to upgrade or build new assets is funded firstly from other sources (e.g. subsidies, grants, fundraising, financial contributions) and then borrowing.

Complying with these principles can at times be challenging. The Council must apply judgment in assessing many options to determine appropriateness in its development of budgets or acquisition of assets and the choice of funding sources to implement these.

The Council has also been guided by the following:

- Costs for each activity are collected unless the Council believes that to do so would not be fair or not be in the interest of residents and ratepayers or is in conflict with Council policy. As an elected representative body, the Council has the responsibility to make the final decision.
- Given there are four distinct communities of interest in the Mackenzie, rates for township and rural activities are targeted geographically into four works and services rates.
- The Council has assessed long term sustainable needs in relation to roading, and this activity is funded through a district wide targeted rate.

- The use of a uniform annual general charge for general rates and fixed amounts for targeted rates (including works and services rates) is based upon a judgment on how regressive or progressive the incidence of rates should be.
- Water, wastewater and stormwater services are provided directly to rating units in defined areas of benefit, and are funded through targeted rates for each activity. The charges are further differentiated into treatment and infrastructure costs, to target those rating units receiving the service and those rating units capable of receiving the service. Apart from extraordinary usage, the services are provided equally to each property (defined as a separately used and inhabited part of a rating unit), making a fixed amount charge most appropriate.
- The use of the general rate is generally reserved for activities of a district wide nature or for activities where the Council has judged that the service is better funded by way of a form of local taxation rather than a type of targeted rating.
- In some instances, ratepayer sector groups may fund more of the costs of an activity than they may directly benefit from. Council has taken into account the overall impact of any allocation of liability for revenue needs on the community in its considerations. In general, operating expenditure is for the current year and will be funded over the current year. In some exceptional cases reserve funding may be used to ease and spread the rate burden. All capital expenditure is funded from capital reserves. These capital reserves are built up from funded depreciation and financial contributions with any shortfalls in funding capital expenditure being treated as internal loans.

1.2. Related Policies

The Financial Contributions Policy provides further analysis, as required by section 106(2)(c). This explains why Council has chosen to use financial contributions to fund some types of capital expenditure.

The Liability Management Policy and Investment Policy place restrictions on the use of borrowing as a funding source. Both policies can be found at www.mackenzie.govt.nz.

The Funding Impact Statement is included in each Long Term Plan and Annual Plan as required by clauses 15 or 20 of schedule 10 of the LGA. This statement shows the results of the detailed rates calculation for the coming year.

Together the following documents form the necessary components to lawfully charge under the LGA for the revenue requirements of Council. Council must also comply with other legislation in regard to the setting of some fees and charges and the Local Government (Rating) Act 2002 for the setting of rates.

1. The Funding Needs Analysis (s.101(3)) is informed by the high level policies of the Revenue and Financing Policy (RFP), but the Revenue and Financing Policy must demonstrate how council has complied with s.101(3).
2. The Investment Policy informs the RFP of investment income sources.
3. The Liability Management Policy, having been informed by the RFP of what borrowing will be needed for, determines how council manages its borrowings.
4. The Financial Contributions Policy is informed by the RFP as to when Council needs to use these as a funding source.
5. The Rate Remission Policy amends the Funding Impact Statement (FIS) for some ratepayers' prior to the issue of the Rates Assessment.

2. FUNDING SOURCES FOR OPERATING COSTS

Operating costs are the day to day spending that maintains the services delivered by Council. This includes contributions to the wear and tear on assets used (depreciation), and interest charged on borrowing.

Council must consider the funding of each activity in a way that relates exclusively to that activity. Some activities may be best funded by user charges such as swimming pool admission fees, others with targeted rates such as a water rate, and others from a general rate, such as the cost of Council including all of its planning and decision making processes. Distinct funding enables ratepayers or payers of other charges to assess more readily whether or not the cost of the service provided to them, either directly or indirectly, represents good value. They can also more easily determine how much money is being raised for the service and spent on the service, which promotes transparency and accountability.

In general, the funding hierarchy for operating costs is:

1. User charges;
2. Grants, sponsorship, subsidies and other income;
3. Reserve funds;
4. Targeted rates;
5. General rates.

2.1. User charges

User charges are used for services where there is a benefit to an individual or group. Users charges is a broad group of revenue charged directly to an individual or entity. It includes:

- Entry fees.
- Service charges.
- Hire.
- Rent, lease, licenses for land and buildings.
- Permits.
- Regulatory charges.
- Fines and penalties.
- Connection fees.
- Disposal fees.
- Deposits.
- Private works.
- Memberships.
- Planning and consent fees.
- Statutory charges.
- Retail sales.

The price of the service is based on a number of factors, including:

- The cost of providing the service.
- The estimate of the users' private benefit from using the service.
- The impact of cost to encourage/discourage behaviours.
- The impact of cost on demand for the service.
- Market pricing, including comparability with other councils.
- The impact of rates subsidies if competing with local businesses.
- Cost and efficiency of collection mechanisms.
- The impact of affordability on users.
- Statutory limits.
- Other matters as determined by Council.

Council's ability to impose user charges is limited by the powers conferred to it by many statutes and regulations. As a general rule, fees for statutory functions should be set at no more than the cost of providing the service. In some cases legislation sets the fees at a level that is below cost and in other cases, where provided by legislation (e.g. Waste Minimisation Act 2008) Council may set fees at greater than the cost of providing the service. Council considers it appropriate to incorporate overhead charges in the determination of the cost of providing a service.

Where Council is charging for the sale of goods or services not required by statute, Council's preference is to charge a market price, having regard to the powers conferred by section 12. This includes leases, rents and licenses for land and buildings.

Actual fees and charges may be set by Council at any time and are reviewed by Council annually. A list of regular fees and charges is maintained on Council's website.

User charges revenue is allocated to the activity which generates the revenue.

2.2. Grants, sponsorship, subsidies and other income

Grants, sponsorship and subsidies are used where they are available. Many of these items are regular and predictable and therefore can be budgeted for. Some items of other income are unexpected or unpredictable and may not be able to be prudently budgeted (e.g. reparation payments, Civil defence and other reimbursements, legal settlements and insurance payouts).

Council expects to continue receiving substantial subsidies for road maintenance from government or its agencies.

2.3. Investment income

Council's investment policy is documented in our Investment Policy. These investments generate income such as dividends, interest, forestry returns and rents.

Each source of income is receipted to the activity that owns the asset.

Most investment income earned is allocated to reduce the rates requirements for operating costs.

2.4. Financial contributions

Council collects financial contributions under the Resource Management Act 1991. The purpose of these contributions is outlined in the Mackenzie District Plan. Contributions are not used to fund operating costs.

2.5. Development contributions

Council does not collect revenue from development contributions.

2.6. Proceeds from the sale of assets and lump sum contributions

Council does not collect revenue from these funding sources to fund operating costs.

2.7. Reserve funds

Council maintains reserve funds. These cash reserves have generally come about from unspent rates, investment income or other revenue source in a previous year. Many of these reserve funds are for capital expenditure. However some of these reserve funds are available to meet operating costs.

We use these funds for the purposes that the reserve was created and usually for new projects additional to normal operating expenditure. Council at times may use these funds to minimise or smooth changes in rates.

2.8. Borrowing

Council does not borrow to fund operating costs. This is not allowed under Council's policies on borrowing, documented in the Liability Management Policy and Investment Policy.

2.9. Rates

Having been prudent and appropriately exhausting all other funding sources, Council funds its remaining operating expenses from rates. For many activities this is the main funding source.

Council must determine whether the portion of an activity to be funded from rates is to be funded from the general rate or a targeted rate.

In doing this, while considering all the matters of section 101(3), Council placed emphasis on “the area of benefit”. By this Council means that it reviewed each activity and determined where the benefits from the provision of the service is received, and chose a rating option that most closely charges that group. Matters we have considered are:

Table 1: Our Rating Preferences

| Type of Benefit | Preferred Rating Solution |
|--|---|
| To an area of the District (eg town) | Establish targeted rates based on areas defined by map. Rates established will be a combination of Capital Value rates and uniform charges. |
| To the value of the land and property improvements | A general rate (eg planning activity) or a targeted rate (eg roading) partially through a Uniform Annual Charge and partially through a Capital Value rate. |
| To people | Targeted rate – Uniform basis (where everyone in in the District receives a similar level of benefit) eg urban water. |

2.9.1. Differentials

Council’s main differential is the one set for its three main hydro dams owned by Genesis Energy Limited and Meridian Energy Limited and is based on land use and location, which is described in detail in the Funding Impact Statement in the Long Term Plan. The only other differentials relate to the funding of the Council’s tourism and economic development activities.

2.10. Summary of sources of funding for operating expenditure by activity

Council has applied the above preferences for the use of the funding sources to each activity in its Funding Needs Analysis. The table describes the extent each funding source is used expressed in ranges. These ranges are expressed as a percentage of the cost of the activity. A key to interpret the graphics follows the table.

Table 2 Summary of Funding Sources for Operating Costs by Activity

| Activity | User Charges | Grants, subsidies & other | Investment Income | Financial Contributions | Reserve Funds | Borrowing | General Rates | Targeted Rates |
|----------------------------------|--------------|---------------------------|-------------------|-------------------------|---------------|-----------|---------------|----------------|
| Governance - Council | Y | X | Y | X | X | X | Y | X |
| Governance - Community Boards | X | X | X | X | X | X | X | Y |
| Corporate Services | Y | X | X | X | X | X | Y | X |
| Roading | Y | Y | X | X | X | X | X | Y |
| Stormwater | X | X | X | X | X | X | X | Y |
| Water Supplies | Y | X | Y | X | X | X | X | Y |
| Wastewater | Y | X | X | X | X | X | X | Y |
| Waste Management | Y | X | X | X | X | X | Y | Y |
| Animal Control | Y | X | X | X | X | X | Y | X |
| Building Control | Y | X | X | X | X | X | Y | X |
| Health & Liquor Licencing | Y | X | X | X | X | X | Y | X |
| Civil Defence | X | X | X | X | X | X | Y | X |
| District Planning | Y | X | X | X | X | X | Y | X |
| Resource Consent Planning | Y | X | X | X | X | X | Y | X |
| Cemeteries | Y | Y | X | X | X | X | Y | X |
| Medical Facilities | Y | Y | X | X | X | X | Y | X |
| Pensioner Housing | Y | X | X | X | X | X | Y | X |
| Public Toilets | Y | X | X | X | X | X | Y | X |
| Public Halls & Community Centres | Y | X | X | X | X | X | X | Y |
| Reserves | Y | X | X | X | Y | X | X | Y |
| Swimming Pools | Y | X | X | X | X | X | X | Y |
| Township Maintenance | X | X | X | X | X | X | X | Y |
| Township Maintenance - General | Y | Y | X | X | Y | X | Y | X |
| Forestry | Y | X | Y | X | X | X | X | X |
| Investments | X | X | Y | X | X | X | X | X |
| Pukaki Airport | Y | X | Y | X | Y | X | X | X |
| Real Estate | X | X | Y | X | X | X | X | X |
| Rentals | Y | X | Y | X | X | X | X | X |
| Tourism & Economic Development | Y | X | X | X | X | X | Y | Y |

| Range Name | Range | Key |
|------------|------------|-----|
| Unlikely | 0% | . |
| Minimal | 0% - 20% | Y |
| Low | 20% - 40% | Y |
| Moderate | 40% - 60% | Y |
| High | 60% - 80% | Y |
| Most | 80% - 100% | Y |
| All | 100% | Y |

Council budgets will normally be set within these ranges. As these ranges are expressed as a percentage of the cost of the activity they may change over time because of changes in expenditure rather than changes in revenue. If budgets were marginally outside these ranges, it is unlikely that Council will consider that matter to have a high degree of significance and therefore warrant a change the Revenue and Financing Policy. It is also likely that actual funding sources will be different from budgeted funding sources.

3. FUNDING SOURCES FOR CAPITAL COSTS

Capital costs are those costs associated with the purchase and improvement of assets and for the repayment of debt. The funding hierarchy for capital costs is:

1. User charges;
2. Grants, sponsorship, subsidies and other income;
3. Investment income;
4. Financial contributions;
5. Reserve funds;
6. Proceeds from the sale of assets and lump sum contributions;
7. Borrowing;
8. Rates:
 - a. Targeted rates;
 - b. General rates.

3.1. User charges

User charges are generally not available for capital costs as individual user contributions are generally too large to be affordable. Borrowing and charging users annually for financing costs (interest and principal) via rates is often a more affordable method of charging user contributions.

Council does charge for capital works that are solely for private benefit (e.g. a network extension to a single dwelling) or where capital works are done outside of asset management plans at the request of individuals (e.g. a rural seal extension for dust suppression).

3.2. Grants, subsidies, and other income

Council relies on a significant subsidy for capital works in its roads and bridges activity. Other activities are able to access grants and subsidies from time to time. Other income can be from many and varied sources and is unlikely to be predictable enough to budget for in advance. Other income used to fund capital expenditure could include bequests, insurance payouts, and legal settlements.

Grants, subsidies and other income are used wherever they are available.

3.3. Financial contributions

Council collects financial contributions under the Resource Management Act 1991. The purpose of these contributions is outlined in the Mackenzie District Plan. All financial contributions are received as revenue in cash.

Council's approach is to deposit receipts into a relevant reserve fund and to draw funds from that account for specific projects that meet the purpose for which the funds were collected.

3.4. Development contributions

Council does not collect revenue from development contributions.

3.5. Proceeds from the sale of assets

From time to time Council disposes of assets. Many of these are low value items and the revenue is received by the activity that owns the assets.

Council's property activity holds some higher value assets that are intended for sale. Unrestricted proceeds from the sale of these assets will be used to repay debt held by the property activity, unless resolved

otherwise by Council. Restricted revenues will be placed in a reserve fund and used for the purpose required by the document that imposes the restriction (e.g. endowments).

3.6. Reserve funds

Council maintains various reserve funds for capital projects and will approve the use of the funds when a project meets the specific criteria of the reserve. These reserve funds may include bequests and depreciation or asset renewal reserves.

Council usually funds capital expenditure from capital reserves. These capital reserves are built up from funded depreciation and any shortfalls in funding capital expenditure are treated as internal loans.

3.7. Borrowing

For larger capital projects that provide a long-term benefit to the community, Council may determine that borrowing the funds is an appropriate method of allocating the costs of a project over time to users.

Borrowing, both the capital (principal) and interest components, is generally repaid by future rates. Council may resolve to capitalise interest repayments on some debt, where it considers it most likely (prudent) that another funding source (e.g. property sales) will be able to repay the accumulating debt.

Where it is not practical to obtain third party revenue and where reserve funds haven't previously been set aside, Council prefers borrowing as a funding source. Borrowing spreads the cost of the project over a longer period, smoothing changes in rates and contributing to help achieve intergenerational equity.

3.8. Lump sum contributions

Council has the option when undertaking a major project to seek lump sum contributions to the capital cost of the project from those who benefit. Lump sum contributions are provided for in the Local Government (Rating) Act 2002 and have stringent requirements placed on how they are used. Where a lump sum payment option is proposed ratepayers choose to participate or not. Council has previously used these provisions and may do so in the future.

For major projects, Council will consider requiring funding from borrowing and whether it wishes to seek lump sum contributions.

3.9. Interest and dividends from investments

These are not used to fund capital expenditure.

3.10. Rates

Rates are used firstly to fund day to day expenses, including depreciation and both internal and external borrowing interest costs. A portion of rates funds the capital (principal) repayments of debt, generally using table loan calculations. Rates may be used to fund some small items of capital expenditure. With the exception of roading, rates are not a practicable method to fund large projects in the year of expenditure. Local share of roading is funded in the year the expenditure is incurred.

Council will fund in advance some capital projects that will maintain service levels by collecting rates for depreciation (an operating expense). These funds are placed in capital reserve funds until they are required.

3.11. Analysis for capital expenditure by activity

Council has applied the above preferences for the use of the funding sources for capital to each activity in its Funding Needs Analysis. Council will fund capital costs on the same basis as determined by the operating

costs funding policy, unless Council resolves otherwise. It is not practicable to determine a funding policy for an unknown future project at this time.

Council uses the following guidelines when considering the funding of capital projects:

- All projects are first funded from grants, subsidy or other income;
- Renewal projects that maintain service levels are then funded from reserves set aside for this purpose;
- Lump sum rating options are considered;
- Capital projects that have exhausted previous funding sources or are for new or increased service levels or for growth in non-network infrastructure are then funded from borrowing.

A single project may have a mix of each of these funding options.

Generally it is not practical to create separate funding policies for each and every capital project. Council will only do this when a project is particularly large, affects a particular group or does not fit with an existing funding policy or activity. Whenever Council resolves to consider a separate funding policy it will consider the sources of funds above, the Revenue and Financing Policy and complete a section 101(3) assessment to determine an appropriate funding policy for the project. Generally Council will resolve the funding policy at the time the project is proposed in an Annual Plan or Long Term Plan.

4. RATES

4.1. General rates

The general rate is allocated to properties using a combination of uniform annual general charges allocated on the basis of a separately used or uninhabited part of a rating unit and a rate which calculates the amount of rate to be allocated to each property based on that property's volume.

Council has chosen to use capital value as the basis by which to calculate the amount of rates to allocate to each property. Council has chosen to have a differentiated general rate. There is one differential based on use, hydro electric power generation installation. In considering the area of benefit approach Council has allocated the cost of activities to the general rate where Council has determined there is a primary benefit to the use or value of the land.

Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from the general rate:

- | | | |
|-----------------------------|-----------------------------|----------------------------------|
| • Council | • Civil Defence | • Cemeteries |
| • Pensioner Housing | • Public Toilets | • Medical Facilities |
| • Waste Management | • Health licensing | • Township Maintenance |
| • Resource Consent Planning | • Corporate Services | • Tourism & Economic Development |
| • District Planning | • Building Control | |
| • Animal Control | • Health & Liquor Licensing | |

The uniform annual general charge is allocated to each separately used or uninhabited part of a rating unit. The uniform annual general charge is used in combination with the capital value rate.

4.2. Targeted rates

Owing to the widespread nature of the district, distance from services and variability of services, Council has developed a rating system with a strong emphasis on the use of targeted rates.

Council views the use of targeted rates as creating a much more transparent and equitable allocation of the cost of services.

Council has determined in its Funding Needs Analysis that all or part of the following activities should be funded from targeted rates:

- Community Boards
- Rooding
- Tourism & Economic Development
- Water supplies
- Waste water
- Stormwater
- Waste Management
- Public halls and community centres
- Township maintenance
- Swimming Pools
- Reserves

Council has chosen to use two differentiated targeted rates, these being for hydro dams in relation to roading; and Council's tourism and economic development activities.

In funding the above activities from targeted rates Council uses the following types of targeted rates:

Table 3 – Targeted Rate Types

| Name | Activities funded | Basis for Rate |
|--|--|---|
| Fairlie Works and Services Rate | Activities that we consider benefit every property within the Fairlie township boundary: <ul style="list-style-type: none"> • Community Board • Swimming Pool • Community Centre • Town Maintenance • Parks and Reserves | Combination of Uniform Charge to every separately used or in inhabited part of a rating unit and rates levied on the capital value of each property within the Fairlie town boundary. |
| Tekapo Works and Services Rate | Activities that we consider benefit every property within the Tekapo township boundary: <ul style="list-style-type: none"> • Community Board • Community Centre • Town Maintenance • Parks and Reserves | Combination of Uniform Charge to every separately used or in inhabited part of a rating unit and rates levied on the capital value of each property within the Tekapo town boundary. |
| Twizel Works and Services Rate | Activities that we consider benefit every property within the Twizel township boundary: <ul style="list-style-type: none"> • Community Board • Swimming Pool • Community Centre • Town Maintenance • Parks and Reserves • Information Centre | Combination of Uniform Charge to every separately used or in inhabited part of a rating unit and rates levied on the capital value of each property within the Twizel town boundary. |
| Twizel Improvement Rate | Activities that we consider to benefit every property in the Twizel township boundary. The rate funds capital improvements to the Twizel boundary. | The rate is a fixed charge per separately used or inhabited part of a rating unit. |
| Rural Works and Services Rate | Activities that we consider to benefit every property outside of the Fairlie, Tekapo and Twizel boundaries: <ul style="list-style-type: none"> • Reserves • Rural township maintenance • Tekapo Community Centre | Uniform charge to each separately used or inhabited part of a rating unit and capital value rate across the district set differently. There is one differential based on use; |

| Name | Activities funded | Basis for Rate |
|---|---|--|
| | <ul style="list-style-type: none"> • Twizel Community Centre • Mackenzie Community Centre • Fairlie Swimming Pool • Twizel Swimming Pool • Rural Halls | hydro electric power generation installations. |
| Rural Water Rates | To fund rural water supplies. | Uniform charge for each rating unit based on location, the nature of connections, volume of water supplied, the number of connections, serviceability or the size of the area serviced. |
| Urban Water Rates - Infrastructure | To fund urban water supplies infrastructure. | Uniform charge for each separately used or inhabited part of a rating unit or property that is able to be connected based on locations, the nature of connection, volume of water supplied, the number of connections or serviceability. |
| Urban Water Rates - Treatment | To fund urban water supplies treatment. | Uniform charge for each separately used or inhabited part of a rating unit connected to the supply based on location, the nature of connection, volume of water supplied, the number of connections or serviceability. |
| Sewerage Rates - Infrastructure | To fund sewerage disposal. | Uniform charge for each separately used or inhabited part of a rating unit which is connected or able to be connected to a community sewerage scheme. |
| Sewerage Rates - Treatment | To fund sewerage treatment. | Uniform charge for each separately used or inhabited part of a rating unit which is connected to a community sewerage scheme. |
| Stormwater Rate | Fund the costs of Council's urban stormwater reticulation. | A uniform charge for each separately used or inhabited part of a rating unit within the same boundaries combined with a charge levied as the capital value of properties within the boundaries of Fairlie, Tekapo and Twizel. |
| Solid Waste Rate | Fund the costs of Council's solid waste activities. | Uniform charge per separately used or inhabited part of a rating |

| Name | Activities funded | Basis for Rate |
|--|---|---|
| | | unit to which Council provides the service. |
| Economic Development Rate | Fund the costs of providing Council's economic development activity. | A uniform charge per separately used or inhabited part of a rating unit along with a rate based on the land use on the rateable capital value of the land. The land use categories are: <ul style="list-style-type: none"> - Commercial businesses industrial land. |
| Alps 2 Ocean Rate | To fund the Alps 2 Ocean Cycle Trail. | A rate charged on every separately used or inhabited part of a rating unit. |
| Tourism and Promotion Rates | Tourism and promotion. | A uniform rate and a capital value rate. The capital value rate is set differentially. There is one differential based on secondary accommodation properties. |
| Rural Cattlestop Maintenance Rate | Maintenance and upgrade of rural cattlestops situated on the boundary between rating units and Council roads. | A fixed amount per cattlestop. |

5. OVERALL FUNDING CONSIDERATION

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

1. Council is 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, Council will adjust the rate down to the cap and the balance will be funded from the general rate.
2. Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.
3. Council may waive or discount fees and charges where it considers it appropriate to do so. Some matters Council may consider when deciding whether it is appropriate to waive fees are:
 - a. for social reasons;
 - b. for the promotion of events and facilities;
 - c. for commercial reasons;
 - d. due to poor or interrupted service provision.

Revenue and Financing Policy

Adopted by: Finance Committee

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