



FUNDING IMPACT STATEMENT

Summary of Changes to the Rating Method	103
Funding Impact Statement	104
Funding Principles	115

SUMMARY OF CHANGES TO THE RATING METHOD

The rating method for 2008/09 incorporates the following changes:

- The discount to residential institutions on the Fire Protection rate reduces from 70% to 55% for the 2008/09 year.

The following are variations to the 2006/07 – 2015/16 Community Plan and the 2007/08 Annual Plan.

- A new targeted rate, the private street lighting rate, recovers the costs of privately-owned street lights. These costs were previously invoiced directly to the beneficiaries of the services.
- The general rate differential, or general rate shares, have been altered to bring the general rate factor, that is, the degree to which the rates for each category are higher or lower than the rate paid by residential properties, back to a similar level to the 2007/08 year. In adopting this change, the Council recognises the increasing costs to businesses and does not wish to increase the burden, by having the general rate factor for non-residential properties, increase further.
- The water charges for annual meter rental have been revised. Previously there was one generic annual charge. The annual fee will now be based on the water pipe diameter. This is believed to be a fairer system as it more accurately reflects the costs.
- The Annual Plan process has led to changes to the financial forecasts included in the 2006/07 – 2015/16 Community Plan and the 2007/08 Annual Plan. The financial forecasts have been fully revised based on more up-to-date and relevant information. For further information on this process please refer to the Overview Section of this Plan and Section Five.

Stadium Funding

As part of the consultation on the 2007/08 Draft Annual Plan, two options for funding the debt servicing costs associated with the Council's contribution towards a proposed new stadium were provided. These were including the rate requirement within the general rate or funding by way of new targeted rates.

Having considered the submissions both for and against the proposed options and taking into account the submissions made in regards to the proposed stadium, the Council resolved to fund the rates requirement using the general rate.

However, the Council has agreed that the Rates Working Party will consider issues and options relating to differentials and targeted rates early in the 2008/09 year for the purpose of reporting options for consideration in the 2009/10 – 2018/19 Community Plan.

FUNDING IMPACT STATEMENT

	2007/08 Forecast Budget \$'000	2008/09 Budget \$'000	2009/10 Budget \$'000	2010/11 Budget \$'000	2011/12 Budget \$'000	2012/13 Budget \$'000	2013/14 Budget \$'000	2014/15 Budget \$'000	2015/16 Budget \$'000	2016/17 Budget \$'000	2017/18 Budget \$'000
Revenue and Financing Mechanisms											
General Rate	37,950	42,762	44,461	50,099	53,983	56,719	59,860	62,852	64,491	68,032	67,616
Targeted Rates:											
Community Services Rate	8,837	9,073	9,073	9,073	9,073	9,073	9,073	9,073	9,073	9,073	9,073
Kerbside Recycling Rate	1,007	1,424	1,441	1,477	1,514	1,550	1,588	1,626	1,665	1,706	1,748
Citywide Water Rates	16,085	17,772	19,554	20,701	21,525	22,828	24,020	25,452	26,064	26,870	27,608
Citywide Drainage Rates	18,841	20,315	22,492	25,718	30,732	32,400	33,531	34,433	35,049	35,694	36,162
Rocklands/Pukerangi Water Scheme Rate	39	36	38	40	42	42	45	48	47	49	50
Private Street Lighting		17	17	17	18	18	19	19	20	20	21
Revenue (Note 1)	57,655	74,162	97,088	115,195	102,470	91,450	93,715	93,818	97,447	97,448	100,246
DCHL Dividend	17,200	15,442	18,742	18,842	13,842	13,842	13,842	13,842	13,842	13,842	13,842
LTNZ Income	16,422	20,901	23,301	24,573	20,245	20,946	22,196	18,553	19,796	20,313	19,617
Loans Raised	18,885	91,846	112,804	72,432	23,190	5,738	9,968	8,221	5,963	10,660	1,646
Sale of Assets	6,240	26,697	4,131	3,543	218,397	60	62	63	65	66	68
Cash	701	546									
Reduction in Loans and Advances	735	546	347	288	263	257					
Reduction in Investments	11,218	268							4		28
	211,814	321,806	353,489	341,998	495,294	254,924	267,919	268,001	273,526	283,774	277,723

Note 1:

Revenue includes fees and charges, subsidies, capital revenue, interest and dividends. Revenue also includes water rates as metered on properties.

RATING POLICY

This rating policy should be read in conjunction with the Revenue and Financing Policy and the funding principles on page 117.

Figures in this policy are GST inclusive.

The following rates will be set by the Council for the financial year commencing 1 July 2008 and ending 30 June 2009.

GENERAL RATE

A general rate based on the capital value of each rating unit in the district.

The general rate will be set on a differential basis based on land use (the categories are "residential", "non-residential" and "farmland").

The rates (in cents per dollar of capital value) for the 2008/09 year are:

Categories	Rates, Cents in \$ per Capital Value	Factor	Revenue Sought \$	General Rate Share
Residential	0.1939	1.00	\$26,173,000	54.4%
Non-residential	0.5966	3.08	\$19,143,000	39.8%
Farmland	0.1748	0.90	\$2,791,000	5.8%

The objective of the differential rate is to provide a mechanism to charge general rates to the three differential categories in a way that best achieves the 11 funding principles listed on page 115.

The Council will not be using a Uniform Annual General Charge.

TARGETED RATES

Community Services

A targeted rate for Community Services of \$189.50. This rate will be set on a differential basis based on land use (the categories are "residential, farmland", and "non-residential"). The rate will be charged on the following basis:

Categories	Rate/Liability Calculated	Revenue Sought
Residential, and Farmland	\$189.50 per separately used or inhabited part of a rating unit	\$9,649,000
Non-residential	\$189.50 per rating unit	\$558,000

The community services targeted rate will be used to fund part of the Parks and Reserves activity, the Botanic Garden and \$250,000 towards the Resource Recovery and Waste Management Strategy.

Kerbside Recycling Collection

A targeted rate for kerbside recycling per separately used or inhabited part of a rating unit, for all rating units that receive a kerbside recycling collection service. This rate shall not apply to vacant sections.

The rate for the 2008/09 year is:

Liability Calculated	Rate	Revenue Sought
Per separately used or inhabited part of a rating unit	\$34.60	\$1,602,000

Drainage

A targeted rate for drainage. This rate will be set on a differential basis based on the provision of service (with the categories being "connected" and "serviceable") and on land use (with the categories being "residential and farmland", "non-residential, residential institutions and schools", and "churches"). The rate will be charged on the following basis:

Categories	Liability Calculated	Revenue Sought
Residential and Farmland	Per separately used or inhabited part of a rating unit	\$14,887,000
Non-Residential, Residential Institutions and Schools	Per rating unit	\$989,000
Churches	Per rating unit	\$13,000

The rates for the 2008/09 year are:

Residential and Farmland	Rates
Connected	\$331.00
Serviceable	\$165.50
Non-Residential, Residential Institutions and Schools	Rates
Connected	\$331.00
Serviceable	\$165.50
Churches	Rates
Connected	\$100.00

Rating units which are not connected to the scheme, and which are not serviceable, will not be liable for this rate.

Non-residential Drainage—Capital Value

In addition, a capital value based targeted rate for drainage on a differential basis based on land use (the categories are “non-residential”, “residential institutions” and “schools”) and the provision of services (the categories being “connected” and “serviceable”). This rate shall not apply to properties in Karitane, Middlemarch, Seacliff, Waikouaiti and Warrington.

This rate shall not apply to churches.

The rates for the 2008/09 year are:

Categories	Rates, Cents in \$ per Capital Value		Revenue Sought	
	Connected	Serviceable	Connected	Serviceable
Non-Residential	0.1801	0.0901	\$5,917,000	\$79,000
Residential Institutions	0.1801	Not Applicable	\$587,000	Not Applicable
Schools	0.1351	0.0676	\$381,000	\$2,000

Water

A targeted rate for water supply per separately used or inhabited part of a rating unit on all property either connected or for which connection is available to receive an ordinary supply of water within the meaning of the Dunedin City bylaws, excepting properties in Karitane, Merton, Rocklands/Pukerangi, Seacliff, Waitati, Warrington, East Taieri, West Taieri and North Taieri. This rate will be set on a differential basis based on the availability of service (the categories are “connected” and “serviceable”).

Rating units which are not connected to the scheme, and which are not serviceable, will not be liable for this rate.

The rates for the 2008/09 year are:

Categories	Rate/Liability Calculated	Revenue Sought
Connected	\$350.00 per separately used or inhabited part of a rating unit	\$15,513,000
Serviceable	\$175.00 per separately used or inhabited part of a rating unit	\$177,000

A targeted rate for water supply that is based on the volume of water made available to all separately used or inhabited parts of a rating unit in Karitane, Merton, Seacliff, Waitati, Warrington, East Taieri, West Taieri and North Taieri. This rate will be set on a differential basis based on the availability of service (the categories are “connected” and “serviceable”).

The rates for the 2008/09 year are:

Categories	Rate/Liability Calculated	Revenue Sought
Connected	\$350.00 per unit of water being one cubic metre (viz 1,000 litres) per day supplied at a constant rate of flow during a full 24 hour period	\$801,000
Serviceable	\$175.00 per separately used or inhabited part of a rating unit (Note this rate shall not apply to the availability of water in Merton, Karitane or Seacliff)	\$3,000

Fire Protection

A targeted rate for rating units that receive a water supply for the provision of a fire protection service. The rate will be set on a differential basis based on land use on certain categories of property (“non-residential” and “residential institutions”).

This rate will be based on capital value. This rate shall not apply to churches.

The rates for the 2008/09 year are:

Categories	Rates, Cents in \$ per Capital Value	Revenue Sought
Non-Residential	0.0915	\$3,358,000
Residential Institutions	0.0412	\$133,000

From 1 July 2006 the Council changed the way the Fire Protection water rate was charged to residential institutions. Residential institutions are to pay the same rate as non-residential properties for this service, with an eventual discount of 25%. The Council phased in the increase to residential institutions over five years by providing the following discount:

2006/07 year	85% discount
2007/08 year	70% discount
2008/09 year	55% discount
2009/10 year	40% discount
and from the 2010/11 year	25% discount

A targeted rate for water supply for the provision of a fire protection service for each separately used or inhabited part of a rating unit within the "residential and farmland" categories that are not receiving an ordinary supply of water within the meaning of the Dunedin City bylaws.

The rate for the 2008/09 year is:

	Rate/Liability Calculated	Revenue Sought
Fire protection Water Rate	\$105.00 per separately used or inhabited part of a rating unit	\$8,000

Water—Quantity of Water

A targeted rate for the quantity of water provided to any rating unit fitted with a water meter, being an extraordinary supply of water within the meaning of the Dunedin City bylaws, according to the following scale of charges:

	Annual Meter Rental Charge
20mm nominal diameter	95.05
25mm nominal diameter	110.17
30mm nominal diameter	122.32
40mm nominal diameter	148.87
50mm nominal diameter	351.71
80mm nominal diameter	452.84
100mm nominal diameter	472.53
150mm nominal diameter	707.99
300mm nominal diameter	905.66

Water Charge

Merton, Rocklands, Hindon and individual farm supplied Bulk Water	6.93 cents per cubic metre
All other treated water per cubic metre	113.1 cents per cubic metre

Rocklands/Pukerangi Rural Water Scheme

A targeted rate for water supply that is based on the volume of water made available to all rating units in the Rocklands/Pukerangi Water Scheme Area. The rate is \$185.00 for each unit of water being one cubic metre (viz 1,000 litres) per day supplied at a constant rate of flow during a full 24-hour period.

Private Street Lighting

A targeted rate for street lighting in the private streets to which the Council supplies a private street lighting service. The targeted rate will be set on a differential basis based on land use (the categories are "residential" and "non-residential"). The private street addresses are as follows:

1-10	Achilles Avenue	9	Hampton Grove
7	Angle Avenue	10	Hampton Grove
9	Angle Avenue	11	Hampton Grove
11	Angle Avenue	12	Hampton Grove
20	Angle Avenue	14	Hampton Grove
22	Angle Avenue	15	Hampton Grove
24	Angle Avenue	16	Hampton Grove
43	Arawa Street	19	Devon Place
47	Arawa Street	11	Balmoral Avenue
62	Balmacewen Road	10	Balmoral Avenue
60A	Balmacewen Road	7	Thomas Square
60B	Balmacewen Road	3	Campbell Lane
64	Balmacewen Road	1	Campbell Lane
1	Beaufort Street	6	Campbell Lane
2	Meldrum Street	5	Campbell Lane
10	Meldrum Street	4	Campbell Lane
390	Pine Hill Road	7	Campbell Lane
3	Beaufort Street	2	Campbell Lane
119	Belford Street	8	Campbell Lane
14	Bell Crescent	9	Campbell Lane
12	Bell Crescent	10	Campbell Lane
26	Bell Crescent	11	Campbell Lane
24	Bell Crescent	12	Campbell Lane
10	Bishop Verdon Close	13	Campbell Lane
7	Bishop Verdon Close	15	Campbell Lane
9	Bishop Verdon Close	3	Stanley Square
11	Bishop Verdon Close	2	Stanley Square
12	Bishop Verdon Close	1	Stanley Square
8a	Bonnington Street	13	Stanley Square
8	Bonnington Street	14	Stanley Square
10	Bonnington Street	15	Stanley Square
41	Norwood Street	6	Stanley Square
20	Brighton Road	5	Stanley Square
20A	Brighton Road	4	Stanley Square
20B	Brighton Road	1	Eton Drive
20C	Brighton Road	2	Eton Drive
20D	Brighton Road	3	Eton Drive
20E	Brighton Road	7	Stanley Square
20F	Brighton Road	8	Stanley Square
20G	Brighton Road	14	Campbell Lane
20H	Brighton Road	9	Stanley Square
20J	Brighton Road	10	Stanley Square
20K	Brighton Road	11	Stanley Square
34	Burgess Street	12	Stanley Square
36	Burgess Street	1	Wenlock Square
38	Burgess Street	2	Wenlock Square
40	Burgess Street	3	Wenlock Square
42	Burgess Street	7	Wenlock Square
44	Burgess Street	9	Wenlock Square
46	Burgess Street	12	Wenlock Square

48	Burgess Street	11	Wenlock Square
50	Burgess Street	6	Wenlock Square
183	Burt Street	4	Wenlock Square
181	Burt Street	8	Wenlock Square
185	Burt Street	10	Wenlock Square
82	Caldwell Street	5	Wenlock Square
80	Caldwell Street	15	Wenlock Square
64	Caldwell Street	14	Wenlock Square
30	Cardigan Street, North East Valley	4	Eton Drive
32	Cardigan Street, North East Valley	5	Eton Drive
34	Cardigan Street, North East Valley	6	Eton Drive
36	Cardigan Street, North East Valley	9	Eton Drive
28	Centennial Avenue, Fairfield	8	Eton Drive
26	Centennial Avenue, Fairfield	7	Eton Drive
24	Centennial Avenue, Fairfield	19	Eton Drive
22	Centennial Avenue, Fairfield	21	Wenlock Square
150A	Chapman Street	19	Wenlock Square
150	Chapman Street	10	Eton Drive
152	Chapman Street	11	Eton Drive
12	Clearwater Street	12	Eton Drive
14	Clearwater Street	15	Eton Drive
16	Clearwater Street	14	Eton Drive
18	Clearwater Street	13	Eton Drive
20	Clearwater Street	16	Eton Drive
22	Clearwater Street	20	Wenlock Square
24	Clearwater Street	18	Wenlock Square
26	Clearwater Street	20	Eton Drive
28	Clearwater Street	18	Eton Drive
30	Clearwater Street	10	Devon Place
32	Clearwater Street	13	Devon Place
34	Clearwater Street	12	Devon Place
36	Clearwater Street	17	Wenlock Square
22	Cole Street	7	Devon Place
17	Corstorphine Road	9	Devon Place
13	Corstorphine Road	11	Devon Place
15	Corstorphine Road	15	Devon Place
21	Corstorphine Road	17	Eton Drive
23	Corstorphine Road	14	Devon Place
25	Corstorphine Road	8	Balmoral Avenue
11	Corstorphine Road	7	Balmoral Avenue
11A	Corstorphine Road	1	Thomas Square
11	Craighall Crescent	2	Thomas Square
15	Craighall Crescent	3	Thomas Square
22	Davies Street	6	Thomas Square
21	Davies Street	5	Thomas Square
149	Doon Street	4	Thomas Square
139	Doon Street	3	Devon Place
139a	Doon Street	2	Devon Place
139b	Doon Street	1	Devon Place
141	Doon Street	8	Thomas Square
143	Doon Street	9	Thomas Square
145	Doon Street	16	Balmoral Avenue
151	Doon Street	32	Haywood Street
7	Dorset Street	70	Hazel Avenue

5	Dorset Street	70a	Hazel Avenue
10	Dorset Street	72	Hazel Avenue
11	Dorset Street	215a	Helensburgh Road
12	Dorset Street	217a	Helensburgh Road
14	Dorset Street	217b	Helensburgh Road
16	Dorset Street	219	Helensburgh Road
18	Dorset Street	219a	Helensburgh Road
20	Dorset Street	219b	Helensburgh Road
21	Dorset Street	221	Helensburgh Road
23	Warwick Street	223	Helensburgh Road
16	Warwick Street	295	Highcliff Road
18	Warwick Street	297	Highcliff Road
41	Duckworth Street	313	Highcliff Road
35	Duckworth Street	315a	Highcliff Road
37	Duckworth Street	315b	Highcliff Road
39	Duckworth Street	317	Highcliff Road
39a	Duckworth Street	327	Highcliff Road
49	Duckworth Street	329	Highcliff Road
47	Duckworth Street	331	Highcliff Road
53	Duckworth Street	333	Highcliff Road
	Dunedin Airport	335	Highcliff Road
1 - 31	Eastbourne Street	337	Highcliff Road
2 - 31	Eastbourne Street	339	Highcliff Road
3 - 31	Eastbourne Street	347	Highcliff Road
4 - 31	Eastbourne Street	351	Highcliff Road
5 - 31	Eastbourne Street	20	Highgate
6 - 31	Eastbourne Street	18	Highgate
7 - 31	Eastbourne Street	16	Highgate
8 - 31	Eastbourne Street	34	Highgate
9 - 31	Eastbourne Street	34a	Highgate
10 - 31	Eastbourne Street	216	Highgate
11 - 31	Eastbourne Street	218	Highgate
12 - 31	Eastbourne Street	20	Kinvig Street
13 - 31	Eastbourne Street	22	Kinvig Street
14 - 31	Eastbourne Street	4	Koremata Street
15 - 31	Eastbourne Street	2	Koremata Street
16 - 31	Eastbourne Street	12	Koremata Street
17 - 31	Eastbourne Street	3	Lawson Street
18 - 31	Eastbourne Street	5	Leven Street
19 - 31	Eastbourne Street	21-67	Lock Street
20 - 31	Eastbourne Street	25	London Street
21 - 31	Eastbourne Street	23a	London Street
22 - 31	Eastbourne Street	8	Lynwood Avenue
23 - 31	Eastbourne Street	10	Lynwood Avenue
24 - 31	Eastbourne Street	12	Lynwood Avenue
25 - 31	Eastbourne Street	12a	Lynwood Avenue
26 - 31	Eastbourne Street	12b	Lynwood Avenue
27 - 31	Eastbourne Street	12c	Lynwood Avenue
28 - 31	Eastbourne Street	14	Lynwood Avenue
29 - 31	Eastbourne Street	15	Malvern Street
30 - 31	Eastbourne Street	11	Malvern Street
31 - 31	Eastbourne Street	17a	Malvern Street
32 - 31	Eastbourne Street	44	Marne Street
33 - 31	Eastbourne Street	30	Marne Street

34 - 31	Eastbourne Street	32	Marne Street
35 - 31	Eastbourne Street	42	Marne Street
36 - 31	Eastbourne Street	46	Marne Street
37 - 31	Eastbourne Street	48	Marne Street
38 - 31	Eastbourne Street	50	Marne Street
39 - 31	Eastbourne Street	33	Melville Street
40 - 31	Eastbourne Street	24	Middleton Road
41 - 31	Eastbourne Street	14	Middleton Road
42 - 31	Eastbourne Street	16	Middleton Road
43 - 31	Eastbourne Street	18	Middleton Road
46 - 31	Eastbourne Street	20	Middleton Road
47 - 31	Eastbourne Street	22	Middleton Road
50 - 31	Eastbourne Street	26	Middleton Road
51 - 31	Eastbourne Street	28	Middleton Road
45	Eglinton Road	30	Middleton Road
204	Elgin Road	37	Middleton Road
202	Elgin Road	37a	Middleton Road
206	Elgin Road	39	Middleton Road
208	Elgin Road	43	Middleton Road
3	Everton Road	47a	Middleton Road
2	Everton Road	23	Montague Street
4	Everton Road	19	Montague Street
76	Every Street	21	Montague Street
64	Every Street	415	Moray Place
66	Every Street	72	Newington Avenue
68	Every Street	49	Nottingham Crescent
70	Every Street	39	Pacific Street
53	Forfar Street	274	Pine Hill Road
53a	Forfar Street	264	Pine Hill Road
51	Forfar Street	264a	Pine Hill Road
49	Forfar Street	266A	Pine Hill Road
47a	Forfar Street	266B	Pine Hill Road
47	Forfar Street	268A	Pine Hill Road
45	Forfar Street	268B	Pine Hill Road
6 - 80	Formby Street	270	Pine Hill Road
1 - 80	Formby Street	272	Pine Hill Road
7 - 80	Formby Street	278A	Pine Hill Road
8 - 80	Formby Street	278B	Pine Hill Road
14 - 80	Formby Street	411	Pine Hill Road
15 - 80	Formby Street	409	Pine Hill Road
16 - 80	Formby Street	19A	Queen Street
17 - 80	Formby Street	19	Queen Street
18 - 80	Formby Street	558	George Street
19 - 80	Formby Street	91a	Riselaw Road
150A	Gladstone Road North	87	Riselaw Road
150B	Gladstone Road North	89	Riselaw Road
150C	Gladstone Road North	89a	Riselaw Road
150D	Gladstone Road North	91	Riselaw Road
150E	Gladstone Road North	93	Riselaw Road
152B	Gladstone Road North	93a	Riselaw Road
152C	Gladstone Road North	21	Rosebery Street
152D	Gladstone Road North	16	Selkirk Street
152E	Gladstone Road North	14	Sheen Street
154A	Gladstone Road North	1-27	St Albans Street

228	Gladstone Road North	2-27	St Albans Street
214	Gladstone Road North	3-27	St Albans Street
216	Gladstone Road North	4-27	St Albans Street
218	Gladstone Road North	5-27	St Albans Street
220	Gladstone Road North	6-27	St Albans Street
222	Gladstone Road North	7-27	St Albans Street
224	Gladstone Road North	8-27	St Albans Street
226	Gladstone Road North	9-27	St Albans Street
230	Gladstone Road North	10-27	St Albans Street
232	Gladstone Road North	11-27	St Albans Street
234	Gladstone Road North	12-27	St Albans Street
60	Glenross Street	13-27	St Albans Street
48	Glenross Street	365	Stuart Street
50	Glenross Street	367	Stuart Street
54	Glenross Street	367a	Stuart Street
56	Glenross Street	19	Sunshine Lane
58	Glenross Street	21	Sunshine Lane
110	Glenross Street	23	Sunshine Lane
114	Glenross Street	25	Sunshine Lane
116	Glenross Street	27	Sunshine Lane
34	Grandview Crescent	45	Rewa Street
17	Balmoral Avenue	2	Taupo Street
9	Balmoral Avenue	223	Ravensbourne Road
20	Devon Place	225	Ravensbourne Road
12	Balmoral Avenue	227	Ravensbourne Road
18	Devon Place	1	Taupo Lane
17	Devon Place	146	Victoria Road
16	Devon Place	44	Waimea Avenue
6	Devon Place	46	Waimea Avenue
5	Devon Place	48	Waimea Avenue
4	Devon Place	50	Waimea Avenue
1	Balmoral Avenue	58/60	Waimea Avenue
2	Balmoral Avenue	62/64	Waimea Avenue
3	Balmoral Avenue	3	Wanaka Street
6	Balmoral Avenue	33	Wickliffe Street
5	Balmoral Avenue	25	Woodside Terrace
4	Balmoral Avenue	20	Woodside Terrace
1	Hampton Grove	22	Woodside Terrace
2	Hampton Grove	23	Woodside Terrace
3	Hampton Grove	24	Woodside Terrace
4	Hampton Grove	25a	Woodside Terrace
5	Hampton Grove	26	Woodside Terrace
6	Hampton Grove	27	Woodside Terrace
7	Hampton Grove	29	Woodside Terrace
8	Hampton Grove	19	Woodside Terrace

The rate for the 2008/09 year will be charged on the following basis:

Categories	Liability Calculated	Rate	Revenue Sought
Residential	For each separately used or inhabited part of a rating unit in a private street the sum calculated on the formula of \$120.00 per street light in a private street divided by the number of separately used or inhabited parts of a rating unit in the private street.	\$120.00 for each street light	\$13,200
Non-residential	For each rating unit in a private street the sum calculated on the formula of \$120.00 per street light in a private street divided by the number of rating units in the private street.	\$120.00 for each street light	\$5,400

DIFFERENTIAL MATTERS AND CATEGORIES

Where Councils assess rates on a differential basis the definition of differential categories is limited to the list of matters specified in Schedule 2 of the Local Government (Rating) Act 2002. The Council is required to state which matters will be used for definition of categories and the category or categories of any differentials.

The differential categories are determined in accordance with the Council's land use codes and the provision or availability of services.

1 Differentials Based on Land Use

The Council uses this matter to:

- Differentiate the general rate
- Differentiate the Community Services Rate
- Differentiate the Private Street Lighting Rate

The differential categories based on land use are:

- Residential—includes all rating units used for residential purposes including single residential, multi unit residential, residential special accommodation, residential commercial residence dependent on other, residential bach/cribs, non-residential properties in Strath-Taieri and all rural residential properties
- Non-residential—includes all rating units with land uses not otherwise categorised as Residential, or Farmland
- Farmland—includes all rating units used solely or principally for agricultural or horticultural or pastoral purposes

2 Differentials Based on Land Use and Provision or Availability of Service

The Council uses these matters to differentiate the drainage rate and non-residential drainage rate.

The differential categories based on land use are:

- Residential—includes all rating units used for residential purposes including single residential, multi unit residential, residential special accommodation, residential commercial residence dependent on other, residential bach/cribs and all rural residential properties
- Farmland—includes all rating units used solely or principally for agricultural or horticultural or pastoral purposes
- Non-residential—includes all rating units with land uses not otherwise categorised as Residential, Farmland, Residential Institutions, Churches or Schools
- Residential Institutions—includes only rating units with Council's land use codes 95 and 96
- Churches—includes all rating units used solely or principally as places of religious worship
- Schools—includes only rating units used for schools that do not operate for profit.

The differential categories based on provision or availability of service are:

- Connected—any rating unit that is connected to a public sewerage drain
- Serviceable—any rating unit that is not connected to a public sewerage drain but is capable of being connected to the sewerage system (being a property situated within 30 metres of a public drain).

3 Differentials Based on Provision or Availability of Service

The Council uses these matters to differentiate the water rates.

The differential categories based on provision or availability of service are:

- Connected—any rating unit that is supplied by the water supply system
- Serviceable—any rating unit that is not supplied but is capable of being supplied by the water supply system (being a rating unit situated within 100 metres of the nearest water supply).

MINIMUM RATES

Where the total amount of rates payable in respect of any rating unit is less than \$5.00, the rates payable in respect of the rating unit shall be such amount as the Council determines, but not exceeding \$5.00.

LOW VALUE RATING UNITS

Rating units with a capital value of \$3,500 or less will only be charged the general rate.

SEPARATELY USED OR INHABITED PART OF A RATING UNIT

For each category of rateable land includes, in addition to any portion occupied by the ratepayer, any portion of a separately rateable property used or inhabited by any person, other than the ratepayer, having a right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

LUMP SUM CONTRIBUTIONS

No lump sum contributions will be sought for any targeted rate.

MIX OF FUNDING MECHANISMS BY GROUP ACTIVITY

The following funding mechanisms are applied to the Council's group activities. All mechanisms that have been used are in accordance with the Revenue and Financing Policy.

Note 1: Revenue includes fees and charges, subsidies, capital revenue, interest and dividends (other than Dunedin City Holdings Limited dividends). Revenue also includes water rates based on quantity of water.

	General Rate	Community Services Rate	Kerbside Recycling Rate	Citywide Water Rates	Citywide Drainage Rates	Rocklands/Pukerangi Water Scheme Rate	Private Street Lighting Rate	Revenue ¹	Loans Raised	Sale of Assets	Reduction in Loans and Advances	Dunedin City Holdings Limited Dividend	LTNZ Income	Cash	Reduction in Investments
Sport, Recreation and Leisure	•	•						•	•		•			•	
Community Development and Support	•							•			•			•	
Museums, Libraries and Art Gallery	•							•	•					•	
Public Health	•	•	•	•	•	•		•	•					•	
Personal Safety	•							•						•	
City Planning and Urban Design	•							•	•					•	
Economic Development and City Promotion	•							•	•	•	•	•		•	•
Transport Network	•						•	•	•		•		•		
Corporate Support	•							•		•				•	

FUNDING PRINCIPLES

The Dunedin City Council, in adopting the rating method, takes into consideration the following funding principles:

1. That, in so far as possible, the rating method should be simple, efficient and understandable.
2. People who benefit (including secondary beneficiaries) should contribute to costs.
3. Capital value is the primary method of determining the rating method. Capital value is based on market value and reflects the property valuation.
4. Property rates are a mechanism, which contains principles of public benefit taxation. Rates are not a user-pays mechanism.
5. The application of funding mechanisms should not distort markets.
6. The funding of activities and services should have regard to the interests of residents and ratepayers, including future ratepayers.
7. The funding of services and activities should not make these unaffordable.
8. People who pollute or damage the environment should bear the cost of redress.
9. To promote fairness and equity in rating, fixed charges may be used.
10. Where changes are contemplated to the rating method, transition arrangements may be used.
11. Specific rating areas may be considered on a case-by-case basis.

