



Background

Christchurch City Council is required by the Local Government Amendment Act (No. 3) 1996 to examine how it funds the services it provides for the people of Christchurch. This legislation requires local authorities to decide who benefits from each service and how it should be paid for. The law sets out a very complex process for the Council to follow.

The fundamental question is whether a service should be paid by a user charge, through rates or via a combination of both.

For rates a second question arises — how the rates should be shared among residents, businesses and owners of rural properties.

This booklet gives you the opportunity to give your response to these questions before the Council formulates its policy.

Public consultation schedule

September	Consultation document published
November	Submissions close
December	Those wishing to speak to their submissions heard
January-April	Draft funding policy developed
April 1998	Draft funding policy published for public comment as part of the Christchurch City Council Draft Plan; 1998 Edition
1 July 1998	Funding policy becomes operational, new system of revenue collection introduced for Christchurch

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Introduction

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Each local authority must work out a funding policy determining who pays for its services.

This is your opportunity to help Council develop a new funding policy.

Make your opinions count by completing a submission.

The findings are not policy — to prepare its draft policy, Council will consider the working party findings and the submissions made during public consultation.

Service — and who pays

Christchurch City Council provides a wide range of services to the people of the City. These services are funded by rates, user charges, government grants or varying combinations of these. Other sources of revenue are dividends from trading enterprises and interest on funds invested.

Along with all other local authorities in New Zealand, the Christchurch City Council is reviewing the way it collects revenue. The Local Government Amendment Act (No. 3) 1996 requires every local authority to develop a funding policy to show who will pay for the services it delivers.

A new funding policy for Christchurch

By 1 July 1998 the City Council must have completed development of the policy and introduced a new system for deciding what revenue it will collect from Christchurch ratepayers and from users of its services. The Council wants this policy to be fair, equitable and generally acceptable to a majority of Christchurch people.

Giving everybody a voice

The Council is holding a period of public consultation to enable all Christchurch people to participate in the development of the City's new funding policy.

A draft policy will be formulated based on conclusions reached following public consultation. Christchurch people will then have the opportunity to respond to this draft policy which will be published as part of the Christchurch City Council Draft Plan: 1998 Edition in May of 1998.

This booklet, "Rates or User Charges — Your City Your Choice" has been produced to assist you to participate in the public consultation process. You may complete and return the response form inside the back cover of this book or you may prefer to make a written submission.

Two years in development

"Rates or User Charges — Your City Your Choice" presents the findings of a two year review that has analysed all Council services to determine who benefits from each of them. This review has been carried out by a working party of Councillors. The findings at this stage do not represent Council policy — they are an analysis of how the requirements of the Local Government Amendment Act (No. 3) 1996 might be put into practice in Christchurch. A draft policy will emerge from these findings following public consultation. Once the views of those who participate in the public consultation process have been taken into account, the draft policy may well differ in many respects from the findings reached by the working party and presented here.

Deciding who benefits

As required by the legislation, each service has been classified according to which of three types of benefits it provides. These types of benefits are:

- **Direct Benefits** — benefits received directly by an individual or group. For example a building permit provides direct benefit to the builder or developer who has applied for it, and a parking meter space provides direct benefit to motorists who use it.
- **General Benefits** — benefits provided to the City or the community as a whole. For example street lighting provides the general benefit of improving the security of the City's streets at night, and parks and gardens provide a general benefit in their overall contribution to the positive, green image of Christchurch.
- **Control of Negative Effects** — needed to protect the City from actual or potential problems. Dog control and noise control are examples of this type of service.

Legislation requires Council to follow a prescribed process to reach the new policy.

One service, various benefits

Most of the Council's services provide more than one type of benefit. For example, refuse collection provides direct benefit by saving residents from having to dispose of their own rubbish. It also gives general benefit by ensuring Christchurch is not overwhelmed by waste. Individuals, families and businesses benefit directly from the sewage system, but there is also a considerable public health benefit — a general benefit — from the hygienic disposal of human waste and dirty water. Similarly, the City's network of streets provides direct benefit for those wishing to travel from one location to another; and general benefit in the form of favourable economic conditions as a consequence of businesses being able to move goods swiftly about Christchurch.

What is the benefit?

As a first step in preparing a new funding policy, the Council appointed a working party of Councillors to determine who receives the benefits of the Council's services. This review has attempted to quantify what proportion of direct benefit and what proportion of general benefit each service provides. For example, gallery patrons being able to view art is a direct benefit, but conserving the region's art heritage — which is a general benefit of an art gallery — has been calculated as more significant. On the other hand, the Council's environmental services provide general benefits in upholding the City's planning requirements, but the direct benefits received by developers granted building permits is considered to be greater.

In conducting the review the working party has adhered to the legislation and exercised its judgement on the allocation of benefits associated with each of its services.

A wide range of services

In analysing the services it provides, the working party considered more than 260 different activities, ranging from the removal of abandoned vehicles as part of car parking enforcement, to the development of pre-school programmes at the library, to the maintenance of old landfill sites. To simplify the consultation process, these activities have been grouped together under 13 different headings, which are each explained in more detail in this book. The working party's detailed findings are available on request.

The process is a neutral analysis of all Council services to help determine who should pay for them.

More than 260 different service activities were considered.

Ratepayers and users

There are four groups of ratepayers: residential ratepayers, business ratepayers, rural ratepayers and institutions. Institutions include schools, hospitals and charitable organisations and are exempt from paying general rates. In this review another important classification has been included: customers. For each service this classification covers a different group of customers, for example, patrons of the library, companies using the Council's business support services and sports teams playing on the City's Council-maintained sports grounds. These five sectors have been individually scrutinised to further define the level of direct and general benefit which each receives from the Council's services. For example most rural ratepayers have their own wells and are not connected to the City water supply, so are not charged the separate water rate. However, commercial ratepayers receive the greater share of direct and general benefit from Council's economic development activities, whereas residential ratepayers only receive general benefit from the service.

Deciding who pays

Who should pay, and how — by rates or user charges?

The legislation requires the Council to ensure that, unless there are good reasons, funding should be derived as closely as possible from the individuals or groups who benefit from each particular service.

To ensure this, a three step process must be undertaken and applied to each service activity:

- Examine who receives the benefit from the service and the ratio of direct and general benefits. The costs of providing the benefits are then assigned accordingly.
- Decide whether or not this allocation of costs should be modified by issues of:
 - community interest,
 - fairness and equity,
 - Council policy,
 - practicality.
- Reallocate costs if appropriate.

This would be a relatively simple process for a service which provides only direct benefits. In such a case a clear decision could be made as to how much a user or patron of each service should be charged as a direct fee for each service. For a service providing only direct benefit — unless there were issues of community interest, fairness and equity, Council policy or practicality — the cost of the service could be divided into appropriate units and a user charge levied according to these units. This would be based, for example, on the amount of water used, the number of books borrowed from the library, the quantity of rubbish bags put out each week for collection or an equivalent charge based on the exact use of the service under consideration.

The balance between direct and general

Discretion is required to ensure the policy is fair to all.

However, the Local Government Amendment Act (No. 3) 1996 makes a distinction between direct and general benefits. The legislation requires that, unless special issues apply, the direct benefit of any service be paid for by a user charge, but it allows the general benefit to be funded from rates revenue. It allows Councils to make discretionary decisions based on the following issues:

- Is the split between general and direct benefit fair and equitable?
- Does it work in the best interests of the community?

- Does it assist existing Council policies?
- Is it practical to charge users and/or ratepayers in this way?

Under the review, many of the services of the Christchurch City Council provide a mix of general and direct benefits, which makes deciding whether to fund them from rates or user charges a more complex process.

Uniform annual charge

The Uniform Annual Charge is a component of each Christchurch rates bill. Each ratepayer liable for general rates currently pays \$100 for every rateable property they own. This will raise approximately \$12.2 million of the \$115.3 million to be collected in rates this year. The remaining \$103.1 million is shared among ratepayers on the basis of the capital value of their properties, and whether or not they are liable for water, sewerage and/or land drainage rates.

The average capital value for Christchurch residential properties is around \$150,000. A uniform annual charge increases the rates paid on properties worth less than \$150,000, and decreases the rates paid on properties worth more.

This document does not propose to change the uniform annual charge, but there are three options which could be considered for the charge:

- It could be raised to a higher amount. This would further increase the rates on properties worth less than \$150,000 and decrease the rates on properties worth more;
- It could be reduced or eliminated entirely, which would reduce the rates on properties worth less than \$150,000 and increase the rates on properties worth more.
- It could be maintained at the same level, as is proposed here.

You can say what you think should be done with the uniform annual charge by answering the question on the form inside the back cover of this booklet.

Making your views count

Under Christchurch City Council policy and as required by the legislation, the residents and ratepayers affected by the funding policy have the opportunity to participate in the decision-making process. Those wishing to participate have two opportunities to consider and comment on the findings of the review:

- In public consultation on the review findings from October-November 1997,
- In public consultation on the draft policy which will be published in May 1998.

“Rates or User Charges — Your City Your Choice” outlines the findings made in the working party’s review of the services the Council provides. Three different options are available for each service. When considering the issues outlined in “Rates or User Charges — Your City Your Choice”, you should test whether these options are justified. The three different options where it will be appropriate to comment on each service are:

- How much direct and how much general benefit is provided by the service?
- Which ratepayer group receives which proportion of this benefit?
- Should the service be paid for by users or are there issues of community interest, Council policy, fairness and equity or practicality which mean the service should be paid for from rates?

A uniform annual charge increases rates on properties worth less and decreases rates on properties worth more.

What will it mean for you?

The findings of the working party are not Council policy – your input is needed before a draft policy can be developed.

The Council seeks public input on the working party's findings, and will develop its new funding policy following this input. However, if the findings published here are adopted without change, the effects would be:

- Overall rates for Christchurch residential ratepayers would fall by two percent.
- Overall rates for Christchurch commercial ratepayers would increase by just under five percent.
- Overall rates for Christchurch rural ratepayers would increase by around 32 percent.
- Overall rates for Christchurch institutions would fall by around 26 percent.
- All user charges would be maintained at current levels.

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Changes in the Rates for each Sector.

Increases:

Commercial / Industrial rates increase by \$1.451 million over 97/98 actual.
Rural Increase by \$0.594 million.

Decreases:

Residential & Base by \$1.639 million.
Non rateable sector by \$0.406 million.

Uniform Annual Charge

The Uniform Annual General Charge will remain at the current charge of \$100.

Impact on ratepayers within each sector

Residential Sector:

For all capital values there would be a rate decrease.

At a value of \$50,000 there is a decrease of \$5 pa
At a value of \$100,000 there is a decrease of \$9 pa
At a value of \$124,000 there is a decrease of \$12 pa
At a value of \$145,000 there is a decrease of \$14 pa
At a value of \$240,000 there is a decrease of \$23 pa
At a value of \$500,000 there is a decrease of \$47 pa

Commercial Sector:

For all capital values there would be a rate increase.

At a value of \$60,000 there is an increase of \$18 pa
At a value of \$200,000 there is an increase of \$61 pa
At a value of \$500,000 there is an increase of \$154 pa
At a value of \$2,000,000 there is an increase of \$6150 pa

Rural Sector:

For all capital values there would be a rate increase.

At a value of \$50,000 there is an increase of \$38 pa
At a value of \$200,000 there is an increase of \$151 pa
At a value of \$1,000,000 there is an increase of \$755 pa

If you wish to participate in the public consultation process, please either:

- Complete and return the response form inside the back cover of this booklet; or
- Prepare a more detailed written submission on the issues concerned.

For more information on the options outlined in "Rates or User Charges — Your City Your Choice" please call the Christchurch City Council on 371 1888, or contact your nearest Council Service Centre.

Written submissions should be sent to

The Secretary, Revenue Study Working Party

Christchurch City Council

PO Box 237

Christchurch

To arrive no later than 21 November 1997.

Guide to the sections...



Economic development

Users: Businesses, community organisations, tourists, tourist operators
General Benefit: Economic and social

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This section describes what is covered by the service and how much it costs

Christchurch City Council funds the Canterbury Development Corporation, which provides employment opportunities and training for young people and adults, assists with employment creation and provides services development assistance. One of its success stories focused on economic development. Council also contributes to the work of the Canterbury Tourism Council, which provides services to visitors to the City, including convention marketing, tourism marketing, visitor information service. These services are provided at an annual cost of \$6.4 million offset by \$1.4 million in grants from Government.

Rationale for assigning benefits

Direct benefit from the City's economic development services is gained by those who use the advisory services made available. General benefits arise from increased employment potential and opportunities created by the advisory and promotional services, and from increasing the employment potential of young people and older people who may have been displaced by the economic changes in the past few years. The residential and commercial sectors are seen as having a substantial interest in these general benefits.

This section outlines why the benefits have been allocated between ratepayer groups and users as decided by the working party

Other considerations

The majority of costs for this service are allocated to ratepayer due to the importance society attaches to employment. The charges made for small business assistance programmes increase the charges for these services should make them less accessible, eroding the general benefit they provide — which supports the Council's policy of stimulating Canterbury's economy. In addition, Christchurch is in competition with cities which provide such services entirely free of charge to their business communities.

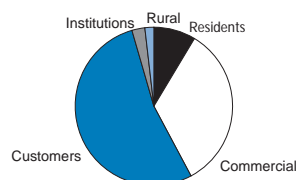
This section describes why and how direct benefits may have been allocated to rates rather than user charges as decided by the working party

It is also important for Christchurch to gain the maximum possible share of benefit from the tourist industry. The Council's contribution to assisting visitors to Christchurch is additional to substantial contributions to the Tourism Council made by the tourist industry. Charging visitors for general information would defeat the purpose of a visitor information centre.

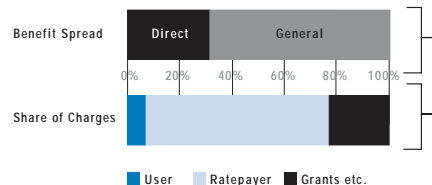
This graph shows the proportions of direct and general benefit gained from the service as decided by the working party

This section shows how the benefit from the services are shared between the five ratepayer groups as decided by the working party

Who benefits?



Who should pay?



This graph shows how the service is paid for as decided by the working party



City streets

Users: Motorists, cyclists, pedestrians, public and commercial transport operators and passengers, tram company, planners and developers

General Benefit: Economic, ease of movement around the City, traffic safety

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Christchurch's network of streets covers over 1,500 km. Vehicles using these streets make around 1.1 million trips each day. The City Council maintains and develops this network at an annual cost of \$51.7 million, including the cost of depreciation. To help offset this, Council receives around \$11 million annually from the central government agency Transfund. The service Council provides includes maintenance of the system, from road and footpath surfaces, to kerbs and channels, to traffic signals and street lighting; traffic safety education, planning of new roads, and provision of the tram tracks to a commercial operator.

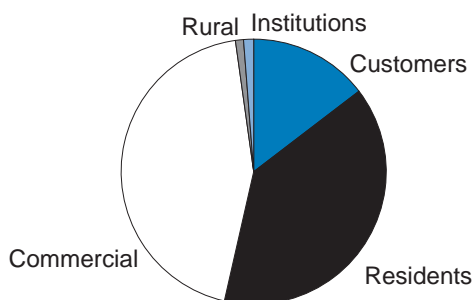
Rationale for assigning benefits

Direct benefit from the service is received by individuals and businesses using the roads. General benefit derives from the favourable economic conditions resulting from businesses being able to move goods swiftly about the City by road and from the capacity the network gives people to move to employment, recreation, health, education and other activities. The community also receives general benefit from the amenity of well-landscaped and designed streets. Costs of controlling negative effects arise from the wear and tear caused by vehicles using the roads, particularly heavy vehicles. Costs have been allocated on the basis of the average distance travelled by each type of vehicle. Where appropriate this has been adjusted for the weight of vehicles.

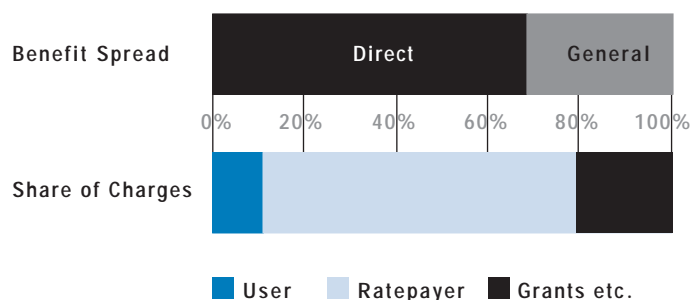
Other considerations

User charges are already in place for some aspects of the City streets, particularly the costs of providing tram tracks and some types of consents, for example consent for restaurants to use footpaths to set up open air tables. The contribution made by central government to the maintenance of Christchurch roads represents a form of user charge in that most of the tax revenue which makes up this contribution consists of funds raised from petrol tax. There are, however, no other practical means currently available for the Council to levy a direct charge on road users. Unless and until such means become available, the costs of providing direct benefits and controlling negative effects must be recovered from ratepayers.

Who benefits?



Who should pay?



Libraries, art gallery, museum



Users:	Patrons
General Benefit:	Education, cultural

Rationale for assigning benefits

User charges contribute to but do not meet the entire cost of the direct benefits of the library service, the museum and the Robert McDougall Art Gallery. Meeting the shortfall is shared between residential and commercial ratepayers, with the former allocated the highest proportion as they represent the largest user group. General benefits outweigh direct benefits for the library and the art gallery on the basis of the cultural, economic and social value of an educated and informed community. This is considered to be greater than the benefit gained by individuals in accessing and using particular information. The commercial sector gains general benefit from the availability of a literate, culturally sensitive work force.

Other considerations

Free access to information is fundamental to the democratic process and should be available regardless of income. It is therefore Council policy to make library services available at nominal cost.

The cost of general benefits of the art gallery have been allocated on the basis of Council policy, practicality and fairness. It is in the community interest for people to see art regardless of income. Charging to fully recover costs has been considered but rejected as it would be likely to result in lower attendance, especially at exhibitions of local works, defeating the purpose of maintaining the gallery. The feasibility of charging non-residents for admission will be investigated in the future.

The Council is obliged by statute to make a contribution to the Canterbury Museum.

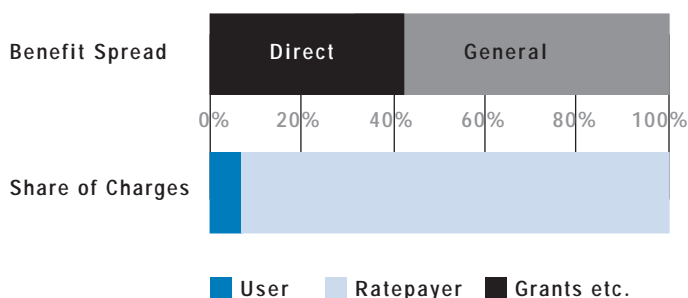
The Council operates the Central Library and library facilities at 12 suburban locations. Libraries issue around 5,000,000 items each year to the 225,000 people who are members of the Canterbury Public Library. The service includes lending, information services, reference materials, other materials for lending and maintenance of the New Zealand collection of archival and reference material.

The Robert McDougall Art Gallery and the Annex maintain a collection of Canterbury and New Zealand art, undertake regular art education programmes at primary, secondary, tertiary and community levels, exhibit local, national and international art shows and are patronised by over 250,000 visitors each year.

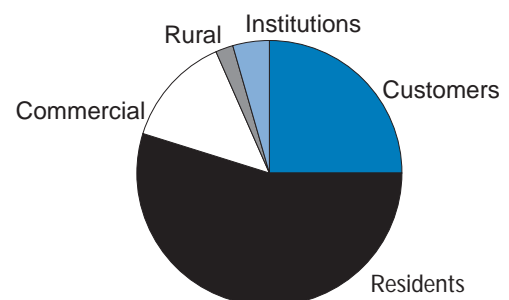
They also play a critical and leading role conserving Canterbury's cultural heritage. The Council also contributes to the operation of the Canterbury Museum.

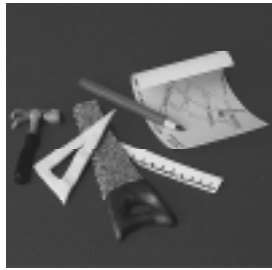
The total annual cost of supporting these institutions is \$20.9 million — \$16.4 million to libraries, \$2.2 million to the art galleries and \$2.3 million to the museum.

Who should pay?



Who Benefits?





Environmental planning and regulations

Users:	All residents and businesses in the City
General Benefit:	Economic, environmental

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Christchurch's City Plan is currently being prepared under the Resource Management Act. Environmental planning includes developing policies and objectives for the Plan and other policy documents to provide for future growth, to improve environmental quality and to protect the City's heritage buildings, along with monitoring the City's economic, social and natural environments to assess the Plan's effectiveness.

The environmental planning service includes considering applications for consents under the Plan. It also monitors and regulates premises licensed for various activities; investigates notified infectious diseases; controls dogs and wandering livestock and provides planning documentation to those researching Christchurch properties. The environmental planning service is provided at an annual cost of \$20.5 million.

Rationale for assigning benefits

Where practical those environmental services of the City Council which provide direct benefit are charged to the users of the service. These include individuals or companies seeking planning consent or a licence to carry out a regulated activity.

Where the service is the development of a plan or policy, the benefit is general rather than direct and is shared between ratepayer sectors according to capital value.

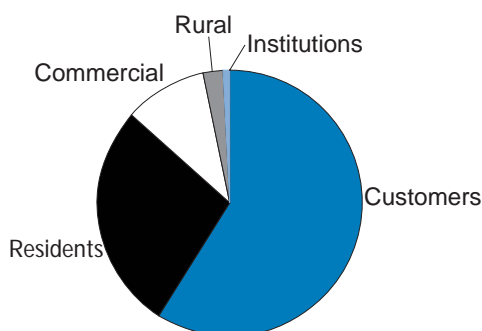
Owners are charged for animal control services, which provide a direct benefit to them.

Other considerations

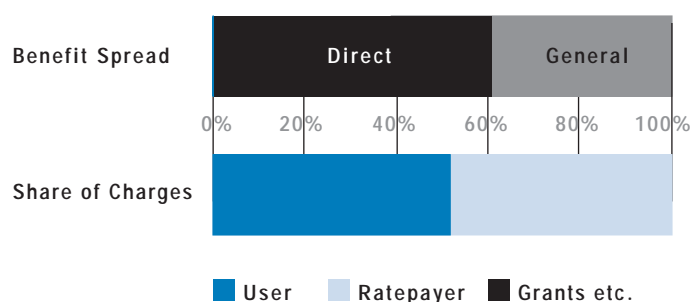
Much of the advice given as part of the Council's environmental planning service is brief, informal and given verbally. Funding this service from user charges is not feasible and is undesirable considering the benefits of a community well informed of its environmental obligations. Charging for informal advice may also create legal obligations.

While recipients of consents receive a direct benefit, the community as a whole receives a general benefit from the existence of a consents granting process.

Who benefits?



Who should pay?



Wastewater system



Users: Homes, businesses and rural properties connected to the sewers main

General Benefit: Public health

Rationale for assigning benefits

Direct benefit from the removal and treatment of wastewater is received by each customer connected to the sewerage system. Residential properties currently pay for this service from rates; small businesses pay a fixed annual fee; and larger institutions pay charges based on the amount of waste they produce. The general benefit of an efficient wastewater system to the whole City arises from the contribution to public health — without the system the City would rapidly suffer serious problems from disease and environmental degradation. The costs for these general benefits are mainly allocated to residential and commercial ratepayers, weighted towards the former because they produce more wastes — although residential users do provide some subsidy for industry.

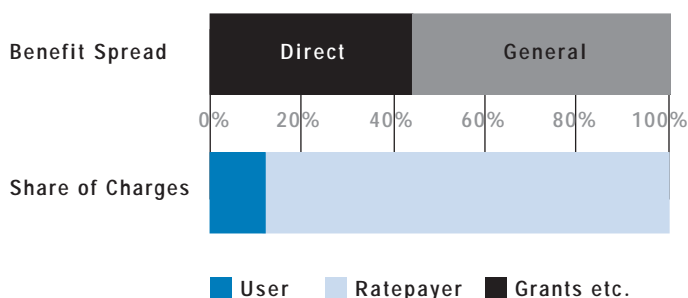
Other considerations

Introducing more widespread user charges poses practical problems due to the technical difficulty of metering waste water flows. Compulsory participation in the service is necessary to ensure high standards of public health. User charges for wastewater could lead to economic hardship, which would work against community interest as those less able to afford the service risk deteriorating health and environmental effects for themselves and the whole community. To ensure the system covers the whole of Christchurch, the high cost of sewer extensions are spread through a City-wide sewerage rate, representing the general benefit all residents receive from the service.

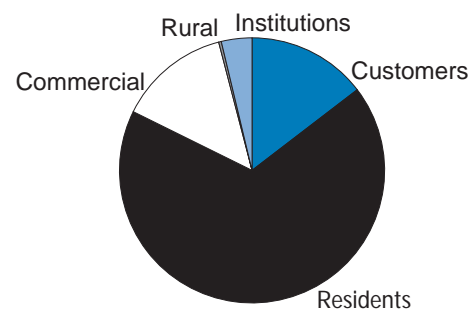
Wastewater is removed from Christchurch residential and commercial properties at a rate of 150,000,000 litres each day for treatment at the City Council's Treatment Plant. Individuals flushing the toilet, pulling the plug; or homes or businesses otherwise disposing of liquid waste are the users of this system, gaining direct benefit from its existence.

The removal and treatment of wastewater costs \$19.3 million each year.

Who should pay?



Who benefits?





Collection and disposal of refuse

Users:	Residents and businesses of Christchurch
General Benefit:	Public health, environmental

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Christchurch householders dispose of over 6,000,000 bags of domestic rubbish each year. Domestic waste is removed by the weekly roadside collection service and, along with commercial waste, is processed at the City's transfer stations at Sockburn, Bromley and Redwood for disposal in the Council's Burwood land fill site. This part of the refuse disposal service also includes dealing with hazardous wastes, along with a programme to monitor and rehabilitate old land fill sites. Waste minimisation is the other component of the Council's refuse service, including a composting facility, recycling, auditing commercial waste and promoting the minimisation of solid waste. Waste disposal and minimisation services are provided at an annual cost of \$19 million.

Rationale for assigning benefits

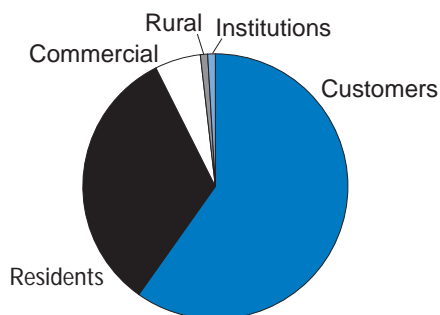
Clients receive direct benefit from the removal of rubbish. Tipping fees paid at transfer stations are a direct charge towards processing, carting to the land fill site, and the operation and maintenance of the land fill. The community as a whole receives general benefit from the public health and environmental advantages of a safe, managed and controlled refuse disposal system. Direct benefit of waste minimisation is gained by businesses seeking to reduce rubbish disposal. This service is partially paid for by users who invest in the service in order to reduce their own rubbish disposal costs. General benefits of waste minimisation are gained by the whole community from the reduction of environmental problems that can be associated with rubbish disposal. Revenue is also gained from the sale of recyclable materials and compost.

Other considerations

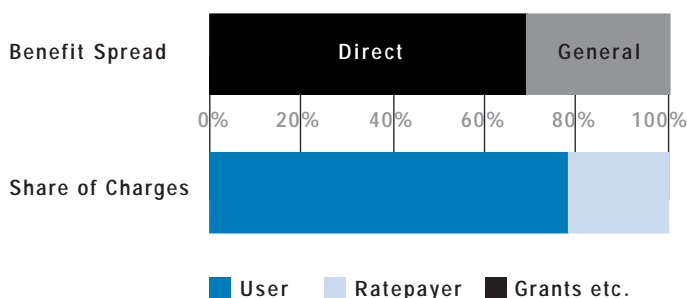
Community interest demands prompt and efficient removal of refuse, with no regard to individual economic circumstances. Disposal of hazardous wastes and rehabilitation of old land fill sites are strongly in the community interest. The cost of rehabilitating old Council owned land fill sites is charged against rates as it would be impractical to identify and charge those who benefitted directly from the service in the past.

While the direct benefit of waste minimisation is entirely paid for by users, the major cost of the general benefit of this part of the service has also been allocated to residential ratepayers.

Who benefits?



Who should pay?



Parks, beaches, gardens



Users: Individuals, sporting clubs and organisations, visitors to Christchurch

General Benefit: Environmental, recreational

Rationale for assigning benefits

Direct benefit is gained in the form of recreation and quality of life by those who visit the parks or take part in any of the various sporting or entertainment activities held there. General benefits are gained from the contribution parks make to the City, and from the importance of green, open space in an urban environment. The garden parks, in particular, provide a general benefit by helping determine the character of the City and contributing to the identity of Christchurch. Users are charged for events, for example weddings held in parks. Sporting clubs and other organisations which use parks are charged costs for leasing parks property.

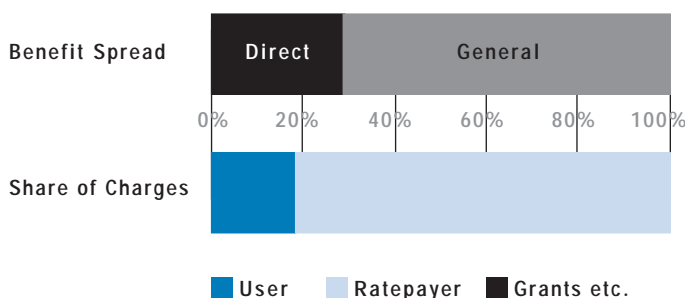
Other considerations

It is Council policy to make green, open space available for the people of Christchurch to enjoy. Charging individuals to visit parks is impractical. The cost of benefits are therefore shared between the residential, commercial, rural and institutional sectors, weighted slightly towards the commercial sector from the benefits businesses receive from sports, leisure and entertainment events held in parks.

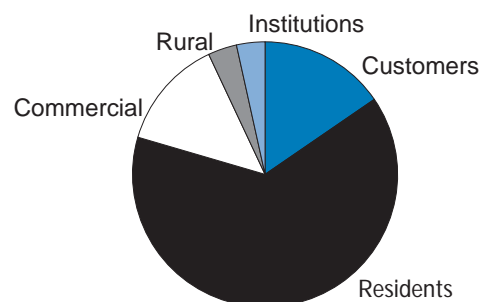
Christchurch has 638 parks covering almost 5,000 hectares, including beaches, riverbanks, neighbourhood parks, conservation areas, City and sports parks, along with garden parks such as the Botanic Gardens and Mona Vale. This part of the Council's service also includes the maintenance of nine cemeteries and landscaping of streets and riverbanks. The Council develops and maintains the City's parks at an annual cost of \$16.7 million.

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Who should pay?



Who benefits?





Recreation facilities and services

Users: Individuals, sporting and community organisations

General Benefit: Recreational, economic, social

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Christchurch City Council owns and operates six major and four suburban swimming pools and eight recreation facilities and sports stadia, including QEII, Jellie Park, Pioneer and Cowles Stadium. It is also active in promoting or facilitating sporting, recreational and leisure activities in the community, ranging from assistance for people with disabilities to take part in sports and recreation to a child care service to events which give sporting clubs and associations the opportunity to promote themselves to a wider audience. The Council's recreation service also includes a community assistance grant programme. Recreation facilities and services are provided at an annual cost of \$14.5million.

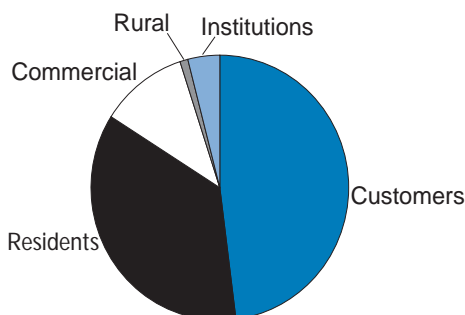
Rationale for assigning benefits

Patrons, spectators and participants benefit directly from the recreational services and facilities of the Council. For parts of the service, direct benefits are paid for from user charges, augmented by sponsorship grants from other corporate bodies and pooled resources with other recreation organisations. General benefit is gained by the community from the increased level of social, physical and economic activity that the services and facilities promote; from access to an international standard facility in the case of QEII; from access to swimming and water safety instruction to a wide range of people and by freeing parents to take a greater part in community life when they would not otherwise have access to child care. The cost of these general benefits is shared between ratepayer groups.

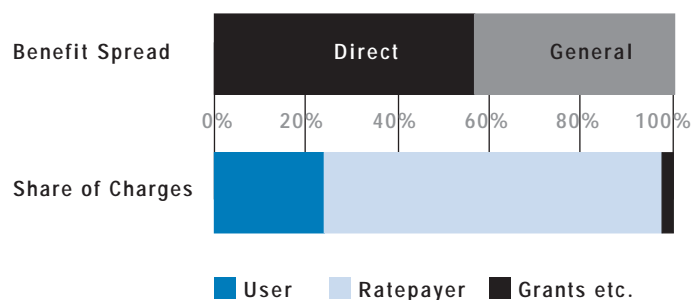
Other considerations

The present funding mechanism for the service is supported by Council's recreational sport policy that it is in the community interest to continue to offer quality, affordable recreation opportunities across the whole community regardless of individual economic means. This policy particularly specifies providing access to recreation to children, young people, people with disabilities and those on low incomes. Increasing existing user charges for recreational services and facilities, or introducing them where they do not already apply, would be an expensive exercise and would risk eroding the purpose of the service where it targets participation for people in these specific groups.

Who benefits?



Who should pay?



Fresh water supply



Users: Residential and commercial water consumers; rural residents connected to the supply

General Benefit: Public health, fire fighting, garden city image

Rationale for assigning benefits

Users of the water supply system receive a direct benefit. The community receives general benefit from the contribution clean water makes to public health. The availability of high pressure water for fire-fighting provides a direct benefit for property owners and a general benefit for the community. A reliable supply of water is also essential for maintaining the Garden City character of Christchurch. Christchurch has the natural advantage of water from subterranean aquifers, which can be used without chemical treatment. The high standard of water provided makes an important contribution to the quality of life in the City.

Other considerations

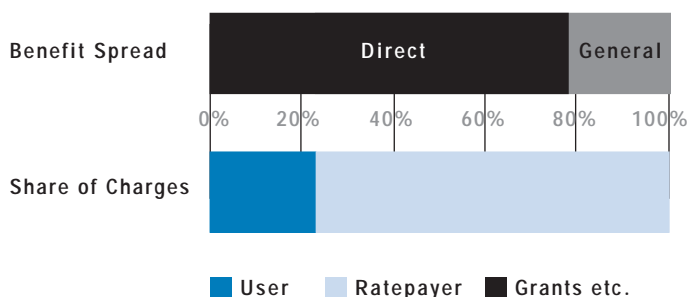
Security and quality of water supply, along with equitable access to fresh water, are important considerations in arriving at Council policy. This policy is that the most fair and effective method of paying for the water supply system is through rates. The Council has no policy to charge directly for water, and does not propose such a policy. Any departure from the present funding policy for water supply would need to consider the economic and social impacts of such changes. Issues surrounding separate meters for multiple tenancies such as flats would also require consideration, making it likely that any possible future introduction of direct charges for water supply would take place over a number of years. It is appropriate however to fund the direct benefit for fire protection from a capital value rate.

Christchurch City Council supplies fresh water to 95,000 residential and 5,800 commercial water users at an annual cost of \$13 million. Customers each receive a direct benefit from the service.

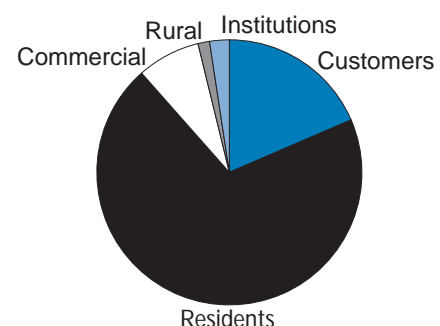
The high quality of the service also provides a general benefit by helping to maintain public health standards. If the service was not provided, not readily available or was of a lower standard, the general benefit would be reduced. Freely available water also contributes to the positive Garden City image that Christchurch has.

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Who should pay?



Who benefits?





Land drainage

Users: Businesses, householders, residents, rural landowners, community organisations, tourists, tourist operators

General Benefit: Environmental, economic

Rationale for assigning benefits

Residents of properties close to waterways receive direct benefit in the form of flood protection. The community receives a general benefit from the management of the natural drainage system, which provides for a pleasant and accessible environment free of flooding and ponding.

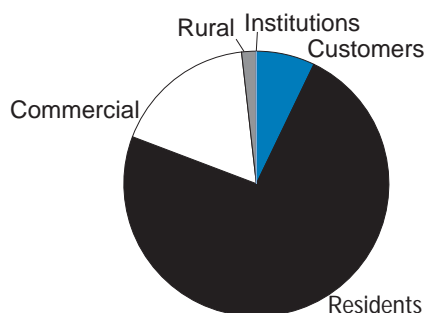
Those obtaining advice or planning information as part of the land drainage service receive direct benefit, some of which is paid for from user charges.

Other considerations

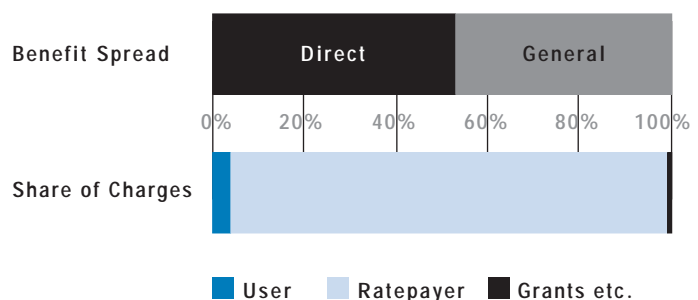
There is no simple method for calculating the cost of providing land drainage services to a given parcel of land. Capital value has been used to represent the benefit received on the grounds that improved capital value reflects the level of protection provided.

The system which controls ground water and prevents flooding in Christchurch consists of natural and artificial waterways, wetlands, underground pipes, pumping stations, retention ponds and stop banks. The Christchurch City Council maintains and develops this system at an annual cost of \$11.4 million. This service includes administration of the bylaws that protect the water supply and land drainage systems and monitoring and providing information on planned activities that may impact on these systems.

Who benefits?



Who should pay?



Representation



Users:	All residents
General Benefit:	Democracy

Rationale for assigning benefits

This service is fundamental to the function of the Council. The benefits of local government representation are entirely general and received by the community as a whole.

Other considerations

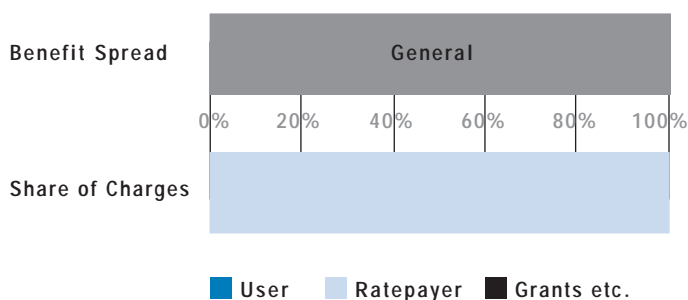
The cost of benefits are allocated proportionately between each ratepayer sector by capital value.

Representation is the service of the Christchurch City Council which enables residents to participate in the decisions which impact upon them. The service includes the election of members to sit on the Council and Community Boards; administrative, secretarial and research support for Councillors, Mayor and Community Boards, which includes the provision of policy advice.

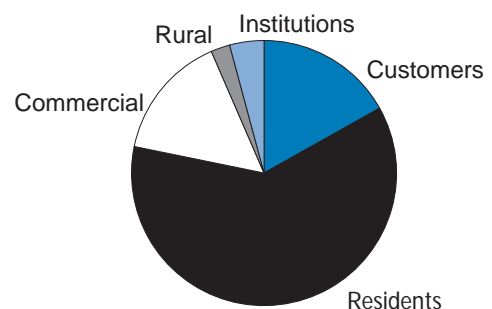
This function also includes public accountability — publishing the Annual Plan and Annual Report to enable the public to assess the effectiveness and performance of the Council. It also includes on-going meetings and consultations with residents, and the monitoring of the Council's trading activities such as Southpower, Christchurch International Airport and the Lyttelton Port Company.

Representation and public accountability cost the City Council \$9.3 million annually.

Who should pay?



Who benefits?





Economic development

Users: Businesses, community organisations, tourists, tourist operators

General Benefit: Economic and social

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Christchurch City Council funds the Canterbury Development Corporation, which provides employment opportunities and training for young people and adults, assists with employment creation and provides services to develop small businesses.

As part of its services focused on economic development, Council also contributes to the work of the Canterbury Tourism Council, which provides services to visitors to the City, including convention marketing, tourism marketing and visitor information services.

These services are provided at an annual cost of \$6.4 million, offset by \$1.4 million in grants from Government.

Rationale for assigning benefits

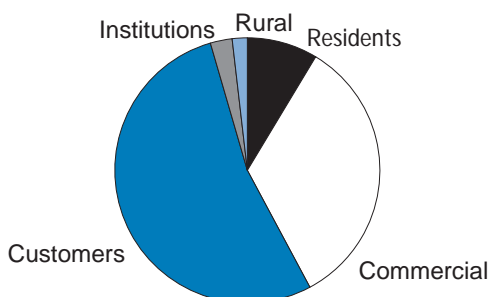
Direct benefit from the City's economic development services is gained by those who use the advisory services provided. General benefits arise from increased employment potential and opportunities created by the advisory and promotional services, and from increasing the employment potential of young people and older people who may have been displaced by the economic changes of the past few years. The residential and commercial sector are seen as sharing almost equally in these general benefits.

Other considerations

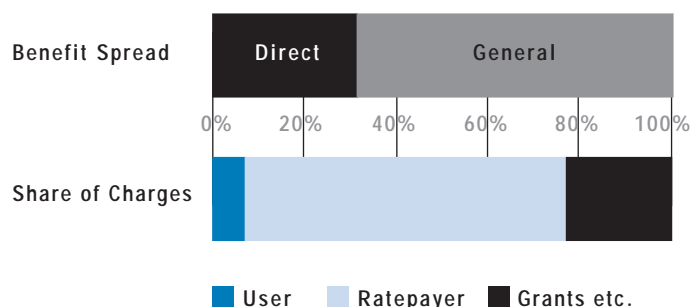
The majority of costs for this service are allocated to ratepayers due to the importance society attaches to employment. Some charges are made for small business assistance programmes. To increase the charges for these services would make them less accessible, eroding the general benefit they provide — which supports the Council's policy of stimulating Canterbury's economy. In addition, Christchurch is in competition with cities which provide such services entirely free of charge to their business communities.

It is also important for Christchurch to gain the maximum possible share of benefit from the tourist industry. The Council's contribution to assisting visitors to Christchurch is additional to substantial contributions to the Canterbury Tourism Council made by the tourist industry. Charging visitors for general information would defeat the purpose of a visitor information centre.

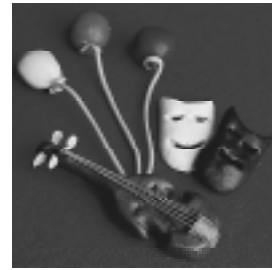
Who benefits?



Who should pay?



Events, festivals and the City centre



Users:	All residents, visitors, City Centre retail businesses
General Benefit:	Economic, recreational and social

Rationale for assigning benefits

General benefit is received by the whole community from the wide range of festivals and events held in the City through the contribution these activities make to the identity of Christchurch.

Direct benefit is provided to festival goers who attend the events. Businesses also receive direct benefit from increased economic activity generated by them. Proportionate costs are therefore allocated to commercial ratepayers.

The commercial sector as a whole gains general benefit from central City marketing activities. The whole community gains from a high standard of information from the City Council.

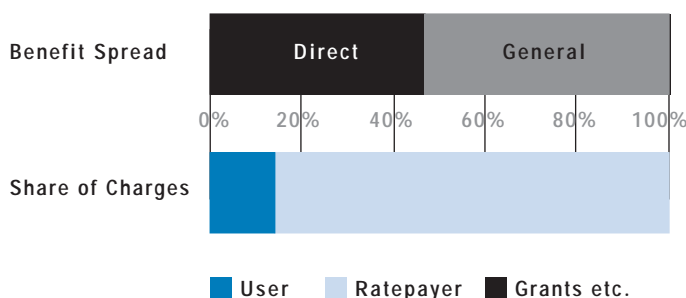
Other considerations

Charging patrons direct for festivals and events would be impractical as controlled access to most is not feasible. Many festivals and events are in the community interest. For example, free, supervised fireworks displays enhance community safety; and free theatre, concerts and children's events enhance community development.

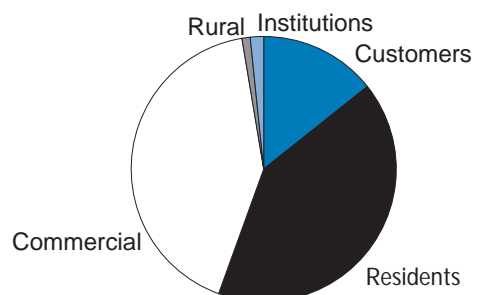
Council policy is to protect and enhance the viability of the central City in the best interests of the community.

Christchurch City Council co-ordinates four annual festivals — SummerTimes, Kidsfest, the Festival of Dance and Showtime Canterbury — along with weekly central City entertainment, including markets and concerts. Some of these activities receive cash sponsorship from businesses. Around \$150,000 per year is also provided through "in kind" contributions from various businesses. In addition, Council core funds a programme of festivals and events through the year, which also receive cash and "in kind" sponsorships. As part of its service to Christchurch, the Council also promotes retail activity in the central City, working in partnership with the retailers concerned to standardise and extend opening hours, produce shopping guides, advertise the City centre as a shopping destination and co-ordinate parking promotions. Costs for these programmes are shared between the Council and participating retailers. Events, festivals and City centre activities cost the City Council \$2.8 million each year.

Who should pay?



Who benefits?



Civic venues

Users: Patrons, sports and entertainment promoters, convention facilitators

General Benefit: Economic, social

Rationale for assigning benefits

While they are being established, these venues need a contribution from the Council additional to that contributed by patrons through the price of attending functions. Council's contribution has been assessed as general benefit to the community, gained through making available attractions and events that would otherwise not have come to Christchurch. The community benefits from the availability of high standard facilities which attract quality performers and international events to Christchurch. The commercial sector benefits through increased visitor numbers to sports events, entertainment and conventions.

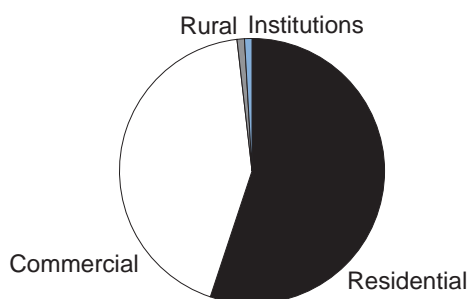
Other considerations

It is planned that these facilities will fully meet their operating cost by July 2002.

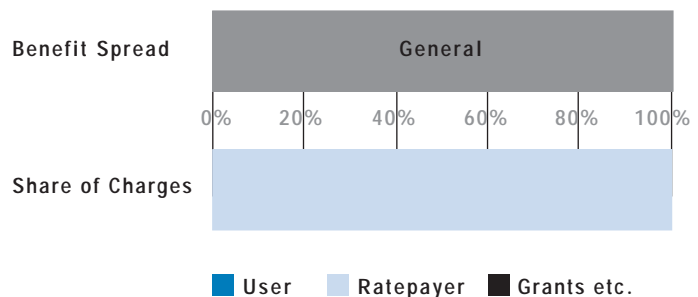
To give residents access to a wide range of national and international attractions, Council has established and contributes to the continuing operation of the Town Hall, and is in the process of establishing a Sport and Entertainment Centre. The Council has recently established the Convention Centre to help stimulate the commercial sector by bringing convention trade to Christchurch. The Council expects all these venues to be self-funding for their operating costs by July 2002.

The Council contribution to the establishment and operation of these facilities is \$2.4 million annually. This is expected to decline to zero by July 2002.

Who benefits?



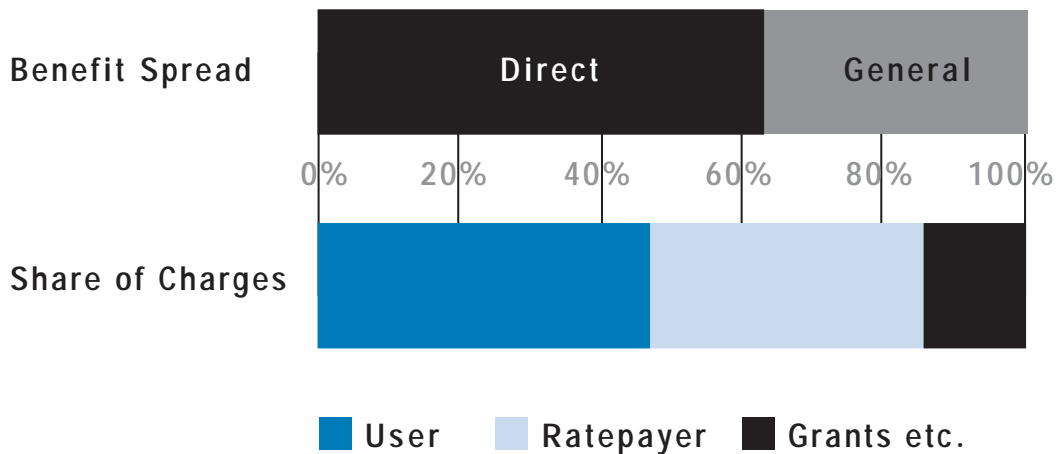
Who should pay?



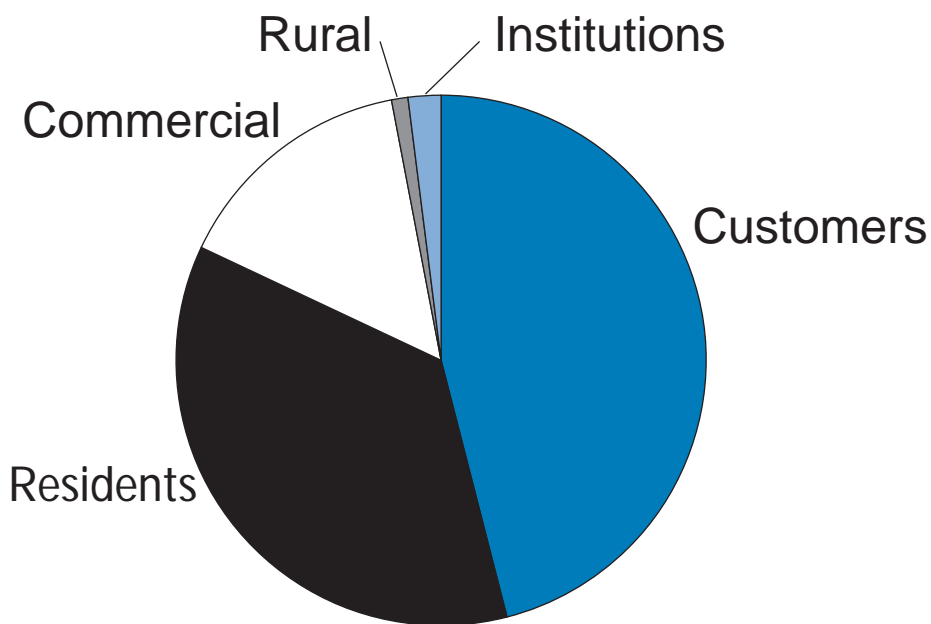
Overall impact

When all Council services are considered, and the analysis aggregated, the spread of benefits and charges between ratepayer groups and customers is as follows

Total charges



Total benefits



The following table shows how each class of ratepayer would be affected by the allocations of costs and revenues if they were to form the basis of the Council’s Funding Policy. The table is in three sections:

Council Services

This section shows the totals of the costs of benefits for each of the 13 functions outlined on page 8 to 20, the total user charges, and the total revenue from grants. This section is the sum of the first section of each of the 13 tables which follow. The line “Grants Allocations” shows how the grants received by the Council are shared among the various sectors.

Additional Allocations

In addition to meeting the costs of benefits provided to them, ratepayers must also meet certain other costs:—

- **The shortfall** from recovering less than full costs from users of each service, and
- **The cost** of providing services to the institutional, or non-rateable sector.

The first arises because the working party has not recommended moving to full user charges. Ratepayers must therefore meet costs not recovered from customers. The second arises because certain property owners, for example schools and charities are exempt by law from paying general rates. The costs of providing services to these property owners must be met by the other ratepayers.

Net Corporate Expenses (Revenues)

This section has three lines:—

Corporate Surpluses: Two services— Car Parking and Housing — both make a surplus. These surpluses are used to reduce the total rates that must be collected. The table shows the reduction given to each ratepaying sector.

Internal Service Providers: The Council requires certain of its internal service providers to charge sufficient for their services to produce a return on their assets — ie to show a profit. These profits are then returned to ratepayers by reducing the total rates that must be collected. For example, property services charges a full commercial rent to its clients. The resulting surplus is returned to ratepayers.

Net Corporate Revenues: The Council has a number of corporate expenses, and receives revenues from investments, petrol tax and a number of other sources. These revenues are used to reduce the total rates that must be collected.

Summary of Costs of Benefits and Allocations

	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Council Services							
Direct Benefits	52,582,472	31,221,330	5,327,377	399,781	618,836		90,159,796
Control Negative Effects	1,449,589	215,706	18,731,928	171,706	3,817		20,572,745
General Benefits		68,922,744	21,962,322	2,512,809	3,967,302		97,365,177
Revenues	(47,355,237)					(13,065,824)	(60,421,061)
Grant Allocations	(1,415,505)	(5,020,492)	(6,507,571)	(98,309)	(23,947)	13,065,824	0
	5,271,318	95,339,287	39,514,057	2,985,987	4,566,008	0	147,676,657
Additional Allocations							
Customer Shortfall	(5,271,318)	5,278,032	202,821	(179,508)	(30,026)		0
Institutions		2,718,385	677,089	102,905	(3,498,379)		0
	(5,271,318)	7,996,417	879,910	(76,603)	(3,528,405)		0
Net Corporate Expenses (Revenues)							
Corporate Surpluses	0	(1,916,281)	(1,393,589)	(44,995)	0		(3,354,865)
Internal Service Providers	0	(5,597,959)	(1,394,369)	(211,962)	0		(7,204,290)
Net Corporate Revenues		(17,199,297)	(4,253,465)	(375,600)	0	0	(21,828,362)
	0	(24,713,537)	(7,041,423)	(632,558)	0	0	(32,387,517)
	0	78,622,168	33,352,544	2,276,826	1,037,602	0	115,289,140

The bottom line of the table, then, is the rates that must be collected from each sector. These rates are made up of:

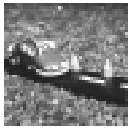
*The cost of direct and general benefits delivered to each sector,
plus*

*The cost of having to meet customer shortfalls,
plus*

*The costs of servicing the institutional sector,
minus*

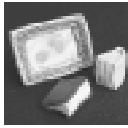
Ratepayers' shares of the other revenues the Council earns.

For the tables on pages 24-31 ratepayers' shares of other Council revenues have not been taken into account for individual services



City streets

	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	5,880,388	9,930,184	1,031,944	10,726	90		16,853,331
		90.5%	9.4%	0.1%	0.0%		32.6%
Cost of Negative Effects	166,929	90,107	18,580,365	112,610			18,950,010
		0.5%	98.9%	0.6%			36.7%
Cost of General Benefits		10,575,087	4,449,367	340,766	523,053		15,888,273
		66.6%	28.0%	2.1%	3.3%		30.7%
Revenue	-5,340,482					-11,198,737	-16,539,219
Grants & Subsidies	-429,828	-4,596,466	-6,108,614	-56,649	-7,180	11,198,737	0
		41.0%	54.5%	0.5%	0.1%		
Shortfall (Surplus)	277,006	15,998,911	17,953,062	407,454	515,963	0	35,152,396
		45.5%	51.1%	1.2%	1.5%		
Allocation of Shortfalls, etc							
Customer Shortfall	-277,006	204,403	50,914	7,740	13,950		0
		73.8%	18.4%	2.8%	5.0%		
Institution Costs		411,759	102,563	15,591	-529,913		0
		77.7%	19.4%	2.9%			
Net Allocations	-277,006	616,162	153,477	23,330	-515,963		0
To Be Funded by Rates	0	16,615,073	18,106,539	430,784	0	0	35,152,396
		47.3%	51.5%	1.2%	0.0%		



Libraries, art gallery, museum

	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	5,269,630	994,207	228,972	47,084	218,112		6,758,005
		66.8%	15.4%	3.2%	14.7%		32.2%
Cost of General Benefits		10,488,648	2,615,869	402,065	714,652		14,221,234
		73.8%	18.4%	2.8%	5.0%		67.8%
Revenue	-1,490,393					-50,000	-1,540,393
Grants & Subsidies	-34,650	-11,327	-2,821	-429	-773	50,000	0
		22.7%	5.6%	0.9%	1.5%		
Shortfall (Surplus)	3,744,587	11,471,528	2,842,020	448,720	931,991	0	19,438,846
		59.0%	14.6%	2.3%	4.8%		
Allocation of Shortfalls, etc							
Customer Shortfall	-3,744,587	3,420,231	252,161	50,664	21,531		0
		91.3%	6.7%	1.4%	0.6%		
Institution Costs		740,917	184,551	28,054	-953,523		0
		77.7%	19.4%	2.9%			
Net Allocations	-3,744,587	4,161,148	436,712	78,718	-931,991		0
To Be Funded by Rates	0	15,632,676	3,278,732	527,438	0	0	19,438,846
		80.4%	16.9%	2.7%	0.0%		

Environmental planning



	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	10,831,451						10,831,451 52.8%
Cost of Negative Effects	1,265,853	125,599 36.9%	151,564 44.6%	59,096 17.4%	3,817 1.1%		1,605,928 7.8%
Cost of General Benefits		5,650,832 69.9%	1,941,812 24.0%	366,274 4.5%	121,965 1.5%		8,080,883 39.4%
Revenue	-10,647,417						-10,647,417
Shortfall (Surplus)	1,449,887	5,776,431 58.5%	2,093,376 21.2%	425,370 4.3%	125,782 1.3%		9,870,845
Allocation of Shortfalls, etc							
Customer Shortfall	-1,449,887	1,093,272 75.4%	242,837 16.7%	31,136 2.1%	82,641 5.7%		0
Institution Costs		161,952 77.7%	40,340 19.4%	6,132 2.9%	-208,423		0
Net Allocations	-1,449,887	1,255,224	283,177	37,268	-125,782		0
To Be Funded by Rates	0	7,031,654 71.2%	2,376,553 24.1%	462,638 4.7%	0 0.0%		9,870,845

Wastewater system*



	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	2,802,990	4,763,316 84.0%	725,839 12.8%	17,012 0.3%	164,448 2.9%		8,473,603 44.0%
Cost of General Benefits		8,280,409 76.8%	1,901,927 17.6%	44,709 0.4%	555,064 5.1%		10,782,110 56.0%
Revenue	-2,505,285						-2,505,285
Shortfall (Surplus)	297,705	13,043,725 77.9%	2,627,766 15.7%	61,721 0.4%	719,511 4.3%		16,750,428
Allocation of Shortfalls, etc							
Customer Shortfall	-297,705	234,697 78.8%	47,945 16.1%	1,628 0.5%	13,434 4.5%		0
Net Allocations	-297,705	234,697	47,945	1,628	13,434		0
To Be Funded by Rates	0	13,278,422 79.3%	2,675,711 16.0%	63,349 0.4%	732,945 4.4%		16,750,428

* Wastewater, fresh water supply and land drainage are paid by separate rates and only apply to those people connected to the sewerage system, the water supply or living in land drainage areas.



Collection and disposal of refuse

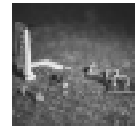
	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	11,359,453	1,611,865 88.2%	184,579 10.1%	31,068 1.7%			13,186,964 69.3%
Cost of General Benefits		4,636,343 79.5%	882,383 15.1%	137,914 2.4%	178,243 3.1%		5,834,883 30.7%
Revenue	-14,779,689						-14,779,689
Shortfall (Surplus)	-3,420,236	6,248,208 147.3%	1,066,962 25.2%	168,981 4.0%	178,243 4.2%		4,242,158
Allocation of Shortfalls, etc							
Customer Shortfall	3,420,236	-2,523,792 73.8%	-628,639 18.4%	-95,561 2.8%	-172,243 5.0%		0
Institution Costs		4,662 77.7%	1,161 19.4%	177 2.9%	-6,000		0
Net Allocations	3,420,236	-2,519,130	-627,478	-95,385	-178,243		0
To Be Funded by Rates	0	3,729,078 87.9%	439,484 10.4%	73,597 1.7%	0 0.0%		4,242,158



Parks, beaches, gardens

	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	2,581,142	2,042,329 91.2%	152,121 6.8%	30,419 1.4%	13,444 0.6%		4,819,455 28.9%
Cost of General Benefits		8,649,436 72.9%	2,098,060 17.7%	556,291 4.7%	564,964 4.8%		11,868,752 71.1%
Revenue	-2,984,432						-2,984,432
Shortfall (Surplus)	-403,290	10,691,766 78.0%	2,250,181 16.4%	586,710 4.3%	578,408 4.2%		13,703,775
Allocation of Shortfalls, etc							
Customer Shortfall	403,290	-233,875 58.0%	25,369 -6.3%	-215,924 53.5%	21,139 -5.2%		0
Institution Costs		465,867 77.7%	116,041 19.4%	17,640 2.9%	-599,547		0
Net Allocations	403,290	231,992	141,410	-198,284	-578,408		0
To Be Funded by Rates	0	10,923,758 79.7%	2,391,591 17.5%	388,426 2.8%	0 0.0%		13,703,775

Recreation facilities and services



	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	7,636,331	360,898	150,131	5,606	56,896		8,209,662
		62.9%	26.2%	1.0%	9.9%		56.5%
Cost of General Benefits		4,405,806	1,211,577	99,155	592,382		6,308,920
		69.8%	19.2%	1.6%	9.4%		43.5%
Revenue	-3,750,008					-337,027	-4,087,035
Grants & Subsidies	-337,027					337,027	0
Shortfall (Surplus)							
	3,549,296	4,766,703	1,361,708	104,761	649,079	0	10,431,547
		45.7%	13.1%	1.0%	6.2%		
Allocation of Shortfalls, etc							
Customer Shortfall	-3,549,296	3,243,216	239,113	46,995	19,972		0
		91.4%	6.7%	1.3%	0.6%		
Institution Costs		519,873	129,493	19,685	-669,051		0
		77.7%	19.4%	2.9%			
Net Allocations	-3,549,296	3,763,089	368,606	66,679	-649,079		0
To Be Funded by Rates							
	0	8,529,793	1,730,314	171,441	0	0	10,431,547
		81.8%	16.6%	1.6%	0.0%		

Fresh water supply*



	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	2,431,002	6,919,075	488,686	155,871	163,479		10,158,112
		89.5%	6.3%	2.0%	2.1%		77.9%
Cost of Negative Effects	960						960
							0.0%
Cost of General Benefits		2,188,984	516,123	27,665	148,987		2,881,759
		76.0%	17.9%	1.0%	5.2%		22.1%
Revenue	-2,973,000						-2,973,000
Shortfall (Surplus)							
	-541,038	9,108,059	1,004,809	183,535	312,466		10,067,832
		90.5%	10.0%	1.8%	3.1%		
Allocation of Shortfalls, etc							
Customer Shortfall	541,038	-402,509	-98,733	-12,347	-27,449		0
		74.4%	18.2%	2.3%	5.1%		
Institution Costs		-15,261	-3,801	-578	19,640		0
		77.7%	19.4%	2.9%			
Net Allocations	541,038	-417,770	-102,534	-12,924	-7,809		0
To Be Funded by Rates							
	0	8,690,289	902,275	170,611	304,657		10,067,832
		86.3%	9.0%	1.7%	3.0%		

* Wastewater, fresh water supply and land drainage are paid by separate rates and only apply to those people connected to the sewerage system, the water supply or living in land drainage areas.



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Land drainage*

	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	808,945	4,090,420	969,170	98,382	1,032		5,967,949
		79.3%	18.8%	1.9%	0.0%		52.4%
Cost of Negative Effects	15,847						15,847
							0.1%
Cost of General Benefits		4,290,968	1,016,688	103,206	1,082		5,411,943
		79.3%	18.8%	1.9%	0.0%		47.5%
Revenue	-357,500					-67,000	-424,500
Grants & Subsidies		-53,122	-12,587	-1,278	-13	67,000	0
		79.3%	18.8%	1.9%	0.0%		
Shortfall (Surplus)	467,292	8,328,265	1,973,272	200,310	2,101	0	10,971,239
		75.9%	18.0%	1.8%	0.0%		
Allocation of Shortfalls, etc							
Customer Shortfall	-467,292	370,501	87,785	8,911	93	0	
	79.3%	18.8%	1.9%	0.0%			
Institution Costs		1,740	412	42	-2,194	0	
		79.3%	18.8%	1.9%			
Net Allocations	-467,292	372,242	88,198	8,953	-2,101	0	
To Be Funded by Rates	0	8,700,506	2,061,469	8,263	0	0	10,971,239
	79.3%	18.8%	1.9%	0.0%			



Representation

	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	1,561,554						1,561,554
							16.7%
Cost of General Benefits		5,741,013	1,430,001	217,379	391,811		7,780,204
		73.8%	18.4%	2.8%	5.0%		83.3%
Revenue	-1,561,554						-1,561,554
Shortfall (Surplus)	0	5,741,013	1,430,001	217,379	391,811		7,780,204
		73.8%	18.4%	2.8%	5.0%		
Allocation of Shortfalls, etc							
Institution Costs		304,449	75,834	11,528	-391,811		0
		77.7%	19.4%	2.9%			
Net Allocations	304,449	75,834	11,528	-391,811			0
To Be Funded by Rates	0	6,045,462	1,505,835	228,907	0		7,780,204
		77.7%	19.4%	2.9%	0.0%		

Economic development



	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	1,048,939		961,022				2,009,961
			100.0%				31.2%
Cost of General Benefits		2,037,428	2,116,509	170,782	108,620		4,433,339
		46.0%	47.7%	3.9%	2.5%		68.8%
Revenue	-484,977					-1,413,060	-1,898,037
Grants & Subsidies	-614,000	-359,577	-383,549	-39,953	-15,981	1,413,060	0
		25.4%	27.1%	2.8%	1.1%		
Shortfall (Surplus)	-50,038	1,677,851	2,693,982	130,829	92,639	0	4,545,263
		36.9%	59.3%	2.9%	2.0%		
Allocation of Shortfalls, etc							
Customer Shortfall	50,038	-36,923	-9,197	-1,398	-2,520		0
		73.8%	18.4%	2.8%	5.0%		
Institution Costs		70,025	17,442	2,651	-90,119		0
		77.7%	19.4%	2.9%			
Net Allocations	50,038	33,102	8,245	1,253	-92,639		0
To Be Funded by Rates	0	1,710,953	2,702,228	132,082	0	0	4,545,263
		37.6%	59.5%	2.9%	0.0%		

Festivals, events and the City centre



	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	380,647	509,037	434,913	3,614	1,536		1,329,747
		53.6%	45.8%	0.4%	0.2%		47.4%
Cost of General Benefits		654,148	749,677	24,769	44,644		1,473,238
		44.4%	50.9%	1.7%	3.0%		52.6%
Revenue	-380,500						-380,500
Shortfall (Surplus)	147	1,163,186	1,184,590	28,382	46,180	0	2,422,485
		48.0%	48.9%	1.2%	1.9%		
Allocation of Shortfalls, etc							
Customer Shortfall	-147	147					0
		100.0%					
Institution Costs		35,883	8,938	1,359	-46,180		0
		77.7%	19.4%	2.9%			
Net Allocations	-147	36,030	8,938	1,359	-46,180		0
To Be Funded by Rates	0	1,199,216	1,193,528	29,741	0	0	2,422,485
		49.5%	49.3%	1.2%	0.0%		

Civic venues

	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	0				0		0 0.0%
Cost of General Benefits		1,323,643 55.2%	1,032,328 43.0%	21,834 0.9%	21,834 0.9%		2,399,639 100.0%
Revenue	-100,000						-100,000
Shortfall (Surplus)	-100,000	1,323,643 57.6%	1,032,328 44.9%	21,834 0.9%	21,834 0.9%		2,299,639
Allocation of Shortfalls, etc							
Customer Shortfall	100,000	-91,338 91.3%	-6,734 6.7%	-1,353 1.4%	-575 0.6%		0
Institution Costs		16,519 77.7%	4,115 19.4%	625 2.9%	-21,259		0
Net Allocations	100,000	-74,819	-2,619	-728	-21,834		0
To Be Funded by Rates	0	1,248,824 54.3%	1,029,709 44.8%	21,106 0.9%	0 0.0%		2,299,639

Net Corporate Revenues

	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	66,982,633						66,982,633 91.6%
Cost of General Benefits		4,301,741 70.1%	1,102,127 18.0%	438,520 7.1%	293,584 4.8%		6,135,971 8.4%
Revenue	-74,456,149					-27,695,107	-102,151,256
Grants & Subsidies		-20,436,219 73.8%	-5,090,361 18.4%	-773,801 2.8%	-1,394,726 5.0%	27,695,107	0
Shortfall (Surplus)	-7,473,516	-16,134,479 55.6%	-3,988,234 13.7%	-335,282 1.2%	-1,101,142 3.8%	0	-29,032,652
Allocation of Shortfalls, etc							
Customer Shortfall	7,473,516	-5,514,708 73.8%	-1,373,632 18.4%	-208,810 2.8%	-376,366 5.0%		0
Institution Costs		-1,148,070 77.7%	-285,967 19.4%	-43,471 2.9%	1,477,508		0
Net Allocations	7,473,516	-6,662,777	-1,659,600	-252,281	1,101,142		0
Surplus to Offset Rates	0	-22,797,256 78.5%	-5,647,834 19.5%	-587,562 2.0%	0 0.0%	0	-29,032,652

Housing*

	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	5,141,422						5,141,422 70.0%
Cost of General Benefits		1,625,938 73.8%	404,997 18.4%	61,565 2.8%	110,967 5.0%		2,203,467 30.0%
Revenue	-8,901,328						-8,901,328
Shortfall (Surplus)	-3,759,906	1,625,938 -104.5%	404,997 -26.0%	61,565 -4.0%	110,967 -7.1%		-1,556,439
Allocation of Shortfalls, etc							
Customer Shortfall	3,759,906	-2,774,434 73.8%	-691,071 18.4%	-105,052 2.8%	-189,349 5.0%		0
Institution Costs		-60,905 77.7%	-15,171 19.4%	-2,306 2.9%	78,382		0
Net Allocations	3,759,906	-2,835,340	-706,241	-107,358	-110,967		0
Surplus to Offset Rates	0	-1,209,402 77.7%	-301,244 19.4%	-45,793 2.9%	0 0.0%		-1,556,439

* Housing and car parking both return a surplus to the City Council. The detail has not been published but is included in the overall position and is available on request.

Car parking*

	Customers	Residential	Commercial	Rural	Institutions	Grants	Totals
Costs of Benefits							
Cost of Direct Benefits	3,017,036					0	3,017,036 42.4%
Cost of General Benefits		1,629,770 39.7%	2,444,757 59.6%	26,251 0.6%	2,050 0.0%		4,102,828 57.6%
Revenue	-8,918,290						-8,918,290
Shortfall (Surplus)	-5,901,254	1,629,770 -90.6%	2,444,757 -135.9%	26,251 -1.5%	2,050 -0.1%		-1,798,426
Allocation of Shortfalls, etc							
Customer Shortfall	5,901,254	-2,337,929 39.6%	-3,537,421 59.9%	-25,501 0.4%	-403 0.0%		0
Institution Costs		1,280 77.7%	319 19.4%	48 2.9%	-1,647		0
Net Allocations	5,901,254	-2,336,649	-3,537,102	-25,453	-2,050		0
Surplus to Offset Rates	0	-706,879 39.3%	-1,092,345 60.7%	798 0.0%	0 0.0%		-1,798,426

Making your opinions count

The submission form opposite is designed so you can effectively register your views. Remember, the findings of the working party and the purpose of the consultation process are to determine who should pay for Council services. In reaching the findings outlined in this booklet, Christchurch City Council's working party has endeavoured to follow the criteria laid out in the Local Government Amendment Act (No. 3) 1996.

When participating in the public consultation process you should comment on the working party's assumptions made in the three step process applied to each service activity, which was to:

- **Examine** who receives the benefit from the service and the ratio of direct and general benefits.
- **Decide** whether or not this principle should be modified by issues of:
 - community interest,
 - fairness and equity,
 - Council policy,
 - practicality.
- **Allocate** costs accordingly.

You can also comment on the uniform annual charge.

Whether you wish to participate by completing the form opposite, or decide to prepare a more detailed submission, you should address the following questions:

- **Has the working party accurately** assessed how much direct and how much general benefit is provided by each service?
- **Do the working party findings fairly** apportion these benefits among the various users and ratepayer groups?
- **Has the working party appropriately** considered how the issues of community interest, Council policy, fairness and equity and practicality apply to whether rates or user charges are appropriate to pay for each service?

Please complete and return the form as directed, or prepare a written submission based on these issues.

If you believe more detailed information is required to help you prepare your submission, please call the Christchurch City Council on 371 1888.