

ITEM 6.4 REVENUE POLICY 2021/22 - 62131765 (Cont.)
#1 Revenue Policy



Policy: 2150-082

Revenue Policy

Head of Power

Local Government Act 2009 (Act)
Local Government Regulation 2012 (Regulation)

Objective

The purpose of this policy is to state, for the 2021/22 financial year:

1. The principles the Council intends to apply for:
 - Levying rates and charges
 - Granting concessions for rates and charges
 - Recovering overdue rates and charges; and
 - Cost-recovery methods.
2. The purpose for the concessions for rates and charges the Council intends to grant; and
3. The extent to which physical and social infrastructure costs for new development are to be funded by charges for the development.

Application

This Revenue Policy applies for the 2021/22 financial year.

Policy Statement

1. Making Rates and Charges

Rates and charges will be determined on the basis of achieving net revenue which is sufficient to allow the Council to meet its budgetary responsibilities for the various activities of the Council. In making rates and charges, the Council will have regard to:

- Transparency – openness in the processes involved in the making of rates and charges
- Accountability – making decisions and acknowledging the effects of those decisions
- Simplicity – a rating regime that is simple and cost efficient to administer
- Equity – the consistent levying of rates and charges across the region
- Flexibility – responding where possible to unforeseen changes in the local economy
- Fiscal responsibility – levying an amount sufficient to allow the Council to meet its budgetary responsibilities

2. Limitation on Increase in General Rates

For those differential rating categories identified in the Council's Revenue Statement, Council will limit increases in differential general rates levied in the previous financial year to a maximum stated percentage. Increases in other rates or charges will not be subject to limitation in this way.



Policy: 2150-082 - Revenue Policy

3. General Rates

Council applies a differential general rating approach for the levying of general rates. Differential general rates are levied on all rateable land in the Council's local government area. The rateable land value of each property is the basis for determining the amount of the general rate levied. This differential rating approach seeks to achieve broad rating equity that could not otherwise be achieved by a single rate in the dollar. Within all differential rating categories, a minimum general rate is applied to ensure that all owners contribute a minimum amount towards Council's general revenue requirements in circumstances where levying rates based solely on land valuation would not achieve an equitable outcome.

When determining differential rating outcomes, Council may have regard to:

- the level of services available to the land and the cost of making those services available;
- the level of utilisation of services by the land in particular the consumption of council resources, services and infrastructure;
- the use to which the land may be put; and
- whether or not the land is the principle place of residence of the owner

4. Special Rates and Charges & Separate Rates and Charges

Special and Separate rates and charges are levied to generate funds required to provide services and fund activities that Council considers will specifically benefit all (separate) or defined (special) rateable properties across the entire region.

5. Utility Rates and Charges

Waste Management

Council applies a regional approach to the levying of waste management charges generally based on the principle of user pays.

These charges reflect the full cost recovery of providing a kerbside collection service, availability of refuse stations and development of waste management strategies for the protection of the environment.

6. Levying Rates and Charges

In levying rates and charges, the Council will apply the principles of:

- Responsibility – making clear the obligations and responsibility of both council and ratepayers in respect to rates and charges;
- Accountability – making decisions and acknowledging the effects of those decisions;
- Cost – making the levying process simple and cost effective to administer;
- Flexibility – responding where possible to unforeseen changes in the local economy;
- Timeliness – ensuring ratepayers are given adequate notice of their liability to pay rates and charges.

7. Concessions for rates and charges

In considering the application of concessions, the Council will be guided by the principles of:

- Equity – acknowledging the different levels of capacity to pay;
- Accountability – making decisions and acknowledging the effects of those decisions;
- Transparency – making clear the availability of concessions and eligibility requirements;
- Flexibility – responding where possible to unforeseen changes in the local economy;
- Fairness – taking into consideration the circumstances that lead up to the application for a concession;
- Sustainability – long term planning to ensure the financial sustainability of concessions.

The Council intends to exercise its power under Chapter 4, Part 10 of the Regulation to partly rebate rates and utility charges for the purpose of recognising the particular financial and related circumstances of qualifying ratepayers within the region.



Policy: 2150-082 - Revenue Policy

8. Recovery of overdue rates and charges

Council will exercise its rate recovery powers in order to reduce the overall rate burden on ratepayers and to better manage the scarce financial resources of Council. It will be guided by the principles of:

- Responsibility – making clear the obligations of ratepayers to pay rates;
- Transparency – making clear the consequences of failing to pay rates;
- Accountability – ensuring due legal processes are applied to all ratepayers in the recovery process;
- Capacity to pay – negotiating arrangements for payment where appropriate;
- Equity – applying the same treatment for ratepayers with the same circumstances;
- Flexibility – responding where possible to unforeseen changes in the local economy;
- Cost – making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective.

9. Cost-recovery

The Council will seek to recover the costs of providing services and undertaking activities by setting cost recovery fees in accordance with the Act. Commercial charges will be at commercial rates. The Council will fix cost-recovery fees to ensure that each fee does not exceed the cost to Council of taking the action for which the fee is charged.

10. Physical and Social Infrastructure Costs

In accordance with section 193(1)(c) of the Regulation, the Council intends to fund the provision of local government trunk infrastructure for development by the levying of infrastructure charges on development in accordance with the *Planning Act 2016*.

The infrastructure charges for providing local government trunk infrastructure are detailed in the Adopted Infrastructure Charge Resolution made by the Council under the *Planning Act 2016*.

The Council also intends development to deliver, or appropriately contribute to, local government trunk infrastructure networks where applicable under the *Planning Act 2016* and the development would impose extra trunk infrastructure costs on Council after taking into account either or both of the following:

- levied charges for the development;
- trunk infrastructure provided, or to be provided, by the applicant.

Such arrangements will be formalised through an infrastructure agreement or conditions of a development approval for the development under the *Planning Act 2016*.

Review and evaluation

This Policy is reviewed annually in accordance with the Act.

Responsibility

This Policy is to be:

- (1) implemented by the Chief Executive Officer; and
- (2) reviewed and amended in accordance with the "Review Triggers" by the Chief Executive Officer.



Policy: 2150-082 - Revenue Policy

Policy: 2150-082		Official Version: tba (previously A9474083)	
Document Control			
Version / Reviewed	Version Adoption (Council meeting / Minute Page) Reviewed (revision comment)	Date	Word version reference
2008/09	Special General Meeting (P.08/1654) <small>Adoption Budget 2008/09 (A6126726 – P. 22)</small>	27.6.2008	A6126726
2009/10	Coordination (P.09/1582) Policy 62-2150-026	9.6.2009	A4534599
2010/11	Coordination (P.10/1520) Policy 10-2150-001	22.6.2010	A4533132
2011/12	Coordination (P.10/2963) <small>Adopted as part of the Financial Plan 2010-2020 (A4560943 – P.20) Policy 11-2150-035</small>	14.12.2010	A6027498 (A4560943 F/Plan)
2012/13	Coordination (P.12/880) <small>Adopted as part of the Financial Plan 2012-2022 (A6792028 – P.17)</small>	5.6.2012	A6792028
2013/14	Coordination (P.13/833) Policy 13-2150-073	21.5.2013	A8182290
2014/15	Coordination (P.14/846)	13.5.2014	A9387650
2015/16	Coordination (P.15/743)	19.5.2015	A11891776
2016/17	Coordination (P.16/806)	24.5.2016	A13377946
2017/18	Coordination (P.17/824)	9.5.2017	A15053847
2018/19	Coordination (P.18/1092)	15.5.2018	A16897292
2019/20	Coordination (P. 19/798)	14.5.2019	A18519115
2020/21	General Meeting (MP. 20/1125)	10.6.2020	A20082190
2021/22	DRAFT	xx.xx.2021	62119903