

Appendix 1: Revenue and Financing Policy Review Report 18–410

History of previous Revenue and Financing Policy Rating review changes

2012–2022 Ten Year Plan

1. A comprehensive review was carried out of both principles and activities. Council applied the following principles:
 - Increased use of fees and charges.
 - Extensive use of targeted rates and targeting using differential rating areas and inner/outer zone.
 - Use of the Uniform Annual General Charge (UAGC) and other fixed rates to Local Government (Rating) Act 2002 (LGRA) section 21 30% cap maximum.
 - Limited use of General rate.
2. Changes to rate funding of activities included:
 - New dog control rate.
 - New noise control rate.
 - Change to capital value for non-residential stormwater rate.
 - New Ruatoria river erosion protection rate.
 - Change to rural refuse rates for rural transfer stations and rural kerbside collection.
 - New river channel maintenance rate.
 - Change to coastal protection rate at Wainui. Those with houses closer to the beach would pay more.
 - Rural property owners to pay a UAGC for each separately used or inhabited part of a rating unit. Introduction of a rate remission policy to remit UAGC's on certain employee houses.
 - Merger of economic development and tourism rate.

2015–2025 Long Term Plan

3. There was a further review of the principles:
 - Reduce complexity and ratepayer impact.
 - Reduce administration and implementation cost.
 - Increase predictability in reporting.
 - Enhanced consistency of application.
 - Increased use of targeted rates and fees and charges.
 - Review public good component for the cost of infrastructure.
 - Phased implementation of major changes.
 - Fairness and equity.
 - Use UAGC as a lever rather than to legislative maximum to smooth rates when appropriate.
4. Council consolidated like funded rates. There were some changes to the way some rates were collected. There were funding changes recognising a level of public good and provided a consistent approach for river and drainage schemes.

Rate	Change made to funding
Stock control consolidated with legacy loans (district Loans).	70% to Outer Zone on area. 30% to Inner Zone and Rural towns on capital value.
Water conservation education and advocacy consolidated with rules and sustainable management.	No rate funding change.
Building services consolidated with non-subsidised roads.	Capital value Inner Zone 85%, Outer Zone 15%.
Aquatic and recreation facilities with theatres.	Capital value Inner Zone 1.0 Outer Zone 0.3.
Subsidised road rate consolidated with flood damage and emergency reinstatement.	NZTA 58%. Rates 42%: 10% UAGC, 32% Capital value targeted weighting on land use: Residential & other 1.0, Horticultural/Pastoral 1.5, Industrial/Commercial 2.0, Forestry 5.0.
Strategic planning and engagement resource management act.	General rate.
Solid waste district wide consolidated.	No rate funding change.
Waipaoa flood control scheme: funding change that recognised a level of public good and provided a consistent approach.	60% General rate. 40% targeted rate to direct beneficiaries in the flood scheme area. 6 classes amalgamated.
River erosion protection for Ruatoria: funding change that recognised a level of public good and provided a consistent approach.	60% General rate. 40% targeted rate with 27% on capital value to direct beneficiaries. 6.5% on capital value to indirect beneficiaries. 6.5% on land area to contributors.
Land Drainage scheme rates, 19 groups consolidated to 2 groups:	Targeted rate on land area in the area of benefit.

2018–2028 Long Term Plan 2018-2028

- Council changed the way it collected specific rates as outlined below. Some of the rates that had previously been consolidated were unbundled as they were administratively difficult to manage. It was signalled at the review that a more comprehensive review would be undertaken from year 1 of the 2018–2028 Long Term Plan.

Animal and plant pests.	60% general rate on capital value. 40% targeted rate on land value. 80% Outer Zone 20% Inner Zone.
Legacy loans (District loans).	Funded from flood protection rating schemes.
Subsidised local roads and flood damage and emergency reinstatement.	NZTA funding with balance collected in rates- 10% UAGC and 30% weighted and targeted on use. Residential, Lifestyle & Other 1.0 Horticultural& Pastoral 1.5 Industrial & Commercial 2.0 Forestry 7.5