

Revenue and Financing Policy

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| Group Responsible: | Finance |
| Date Approved: | 1 July 2018 |
| File No: | r/17/8/18227 |

1 Purpose

The Revenue and Financing Policy sets out how the Council funds each of its activities and why it funds them in the way it does. The Council is required by Section 102 of the Local Government Act 2002 to have this Policy, among others, in order to provide predictability and certainty to residents and ratepayers about the sources and levels of funding.

The purpose of the Revenue and Financing Policy is to describe how Council funds its operating and capital expenses from the funding sources available to it and why it chooses the various mechanisms to fund the operating and capital expenditure of the Council.

The Act requires that the Revenue and Financing Policy is included as part of the Long Term Plan. Other funding and financial policies required by Section 102(2) of the Act do not need to be included as part of the Council's Long Term Plan.

2 Policy Details

2.1 Our Funding Approach

In determining how activities are funded, Council has considered the requirements of the Local Government Act 2002 Section 101(3). The Council is obliged to share the costs of delivering services across different users including across generations. In deciding how to fund each activity, Council takes into account:

- the community outcomes to which an activity primarily contributes
- the distribution of benefits between the community as a whole, identifiable parts of the community and individuals
- the period during which the benefits are expected to occur
- the extent to which actions, or inactions, of individuals or groups contribute to the need to undertake the activity
- the costs and benefits of funding the activity separately from other activities.

It then considers the overall impact of any allocation of liability for revenue needs on the District.

Deciding on who should pay for an activity, asset or service is more complex than simply allocating costs to primary users. Some activities result in benefits for the wider community as well as specifically for the individuals who use them. For example, recreational facilities contribute to proud connected communities and have impacts on community health, well-being and sustainability. Council also considers that people

should not be excluded from using a service or engaging in an activity because of affordability. For these reasons, Council has decided to fund several activities using a general rate or a combination of targeted and general rates.

For a full analysis of Section 101(3) of the Local Government Act 2002 requirements for each activity, please refer to the **Activity Funding Needs Analysis**, which can be found on Council's website (www.southlanddc.govt.nz).

2.2 Description of Funding Mechanisms

Types of Expenditure

Broadly speaking, Council has two types of expenses: operating expenditure and capital expenditure.

Operating expenditure is used to fund the ongoing day-to-day activities and services of the Council.

Capital expenditure is money spent in acquiring or upgrading a business asset such as equipment or buildings. The Council has three categories of capital expenditure spread across its activities:

- **renewals** - Defined as capital expenditure that increases the life of an existing asset with no increase in service level.
- **increased level of service (ILOS)** - Defined as capital expenditure that increases the service level delivered by the asset.
- **additional demand (AD)** - Defined as capital expenditure that is required to provide additional capacity necessary to accommodate growth, in whole or part under Council's Development and Financial Contributions Policy.

Funding Mechanisms

Council uses different funding sources for different types of expenditure. The Council funds its expenditure using the funding mechanisms outlined below.

User Fees and Charges

User Fees and Charges apply to individuals or groups who are directly using a Council service. Where user fees and charges apply, there is a direct benefit to an individual. When a decision is made to fund an activity through user fees and charges, the beneficiaries must be able to be identified and charged directly for the service they receive. The Council also considers issues like the affordability of user charges or how they compare to the market rate for services. In some cases, user fees and charges may be balanced with other funding sources. This may occur where the Council believes that setting a charge too high will reduce the use of a service and therefore diminish its value to the community and impose a greater cost on ratepayers.

Rates

There are two main types of rates:

- Rates with general effect:
 - General Rate
 - Uniform Annual General Charge (UAGC); and
- Targeted Rates

A General Rate is a rate assessed across all rateable properties in the District based on a property valuation system. It is used to fund those services where Council believes there is a public benefit to the whole of the community across the District.

A Uniform Annual General Charge (UAGC) is a rate assessed across all rateable properties in the District. It is used to fund those services where the Council believes there is an equal public benefit across the District.

For clarity, the portion of General Rate and the Uniform Annual General Charge will be based on the percentages indicated below. The category correlates to the relevant sub-activities within each of Council's nine activity groupings.

| Category | General Rate | Uniform Annual General Charge |
|--------------------------------------|--------------|-------------------------------|
| Building Control | 100% | |
| Civil Defence & Emergency Management | 100% | |
| Community Housing | 85% | 15% |
| Council Facilities | 85% | 15% |
| Community Futures | 25% | 75% |
| District Support | 85% | 15% |
| Animal Control | | 100% |
| Environment Health | | 100% |
| Grants & Donations | | 100% |
| Library Services | | 100% |
| Parks & Reserves | 85% | 15% |
| Public Toilets | | 100% |
| Representation & Advocacy | 25% | 75% |
| Resource Management | 90% | 10% |
| Roads & Footpaths | | 100% |
| Strategy & Communications | 90% | 10% |
| Work Schemes | 85% | 15% |

When using the General Rate, the Local Government (Rating) Act 2002 only allows a choice of one valuation system from three options:

1. The annual value of the land; or
2. The capital value of the land; or
3. The land value.

Council has chosen to set a General Rate which is assessed on a capital value basis. The general rate is not set on a differential basis. Council has a Uniform Annual General Charge which is assessed per rating unit.

A Targeted Rate is a rate set for a specific activity or group of activities. Some targeted rates are charged to all ratepayers in the District. Targeted Rates can be set in a number of different ways including:

- Capital Value

- Land Value
- Value of improvements
- Property Location (Rating Boundary)
- Land Use (as defined by Council's Valuation Service Provider)
- Per Rating Unit (Fixed Charge)
- Per Separately Used or Inhabited Part of a Rating Unit (Fixed Charge)
- Per supply of service (bins, water, sewerage etc).

Financial and Development Contributions

The Council's Policy on Development Contributions and Financial Contributions sets out the conditions in which contributions are required and the method used to calculate them. Development Contributions are currently in remission under this policy, due to Council's desire to encourage growth in the District. This position will be reviewed again in conjunction with the 2021-2031 Long Term Plan.

Financial Contributions are underpinned by the Operative District Plan. Development Contributions required under the Local Government Act 2002 are generally used to fund growth related capital expenditure on infrastructure provided by the Council as part of its normal capital works programme.

Financial Contributions are required under the Resource Management Act 1991. They are imposed to address the effects of activities for which resource consent is sought.

Although Council can require both development contributions and financial contributions, it cannot require both from the same development for the same purpose.

Grant and Subsidies

Grants and Subsidies are funding received from other agencies, usually for a specific purpose. As such, they are used to fund those purposes.

Other sources including Reserves

These are funds for specific purposes.

- **retained earnings** are used to fund operating or capital expenses at Council's discretion, an example is depreciation reserves.
- **reserves** will be used to fund either operating or capital expenses according to the policy applying to those reserves. These are typically classified as local reserves (where reserves are for the benefit of specific communities), or district reserves (where reserves are held for the benefit of the wider district).

Investment Interest/Dividends and Interest on Reserves

Net Investment interest and dividends are used to reduce the amount of General rate and/or Uniform Annual General Charge rate required.

Interest on reserves is calculated on the average balance of each reserve during the year. Interest is allocated at a prescribed interest rate (typically based on the Reserve Bank rates for six month term deposits over a 12 month period). Both positive and negative reserves get interest charged or applied. For the majority of reserves held by local communities, this interest is added to the reserve, which has no impact on the rate requirement, these reserves are usually positive and are set aside for future projects. For the majority of District reserves, the interest is allocated to the relevant business unit, which in turn will reduce the rates required or increase the rates required if the reserve has a negative balance.

Borrowing

Borrowing is not a source of revenue itself. Rather it is a 'bridging' mechanism to assist with the financing required for the construction of long term assets. Debt arising from borrowing still needs to be repaid from other sources of revenue (eg rates). The use of debt allows Council to enjoy the asset in the present while paying the debt back over time. Borrowing is usually called upon to fund capital works and assets built or provided now before future new consumers use those services. It is used to ensure fairness or intergenerational equity so that current ratepayers pay for the services they use now, and future ratepayers pay their share too.

Lump Sum Contributions

Lump Sum contributions are where ratepayers agree to pay a capital (or lump sum) payment towards meeting the cost of providing a particular asset in their community (eg upgrading of a water supply) rather than paying for these capital costs via an annual targeted rate.

These contributions will be used to fund the retirement of debt for specific capital activity from time to time.

Proceeds from Asset Sales

Proceeds from asset sales are the monies received from selling physical assets, such as plant and equipment. They are initially used to repay borrowings associated with that asset. Any remaining proceeds will be used to fund a replacement asset or fund other capital expenditure within an activity that was funded by the same funding source of the asset sold.

Depreciation Reserves

Depreciation reserves are funds in which the probable replacement cost of equipment is accumulated each year over the life of the asset, so that it can be replaced readily when it becomes obsolete. These reserves are used to fund both the renewal and increased level of service categories of capital expenditure.

2.3 Application of Funding Mechanism to Expenditure

| Funding Mechanism | Operating Expenditure | Capital Expenditure | | |
|--|-----------------------|---------------------|----|----|
| | | | | |
| User Fees and Charges | ✓ | | ✓* | ✓* |
| General Rates (incl. UAGC) | ✓ | | ✓* | ✓* |
| Targeted Rates | ✓ | ✓ | ✓* | ✓* |
| Financial Contributions | | ✓ | | |
| Development Contributions | | ✓ | | |
| Grants and Subsidies | ✓ | ✓ | ✓ | ✓ |
| Other Sources, including Reserves | ✓ | ✓ | ✓ | ✓ |
| Investment Interest/Dividends and Interest on Reserves | ✓ | ✓ | ✓ | ✓ |
| Borrowing | | ✓ | ✓ | ✓ |

| Funding Mechanism | Operating Expenditure | Capital Expenditure | | |
|---------------------------|-----------------------|---------------------|----|----|
| | | | | |
| Lump Sum Contributions | ✓ | * | ✓* | ✓* |
| Proceeds from Asset Sales | | | ✓ | ✓ |
| Depreciation Reserves | | | ✓ | ✓ |

* Application depends on how the activity to which capital expenditure relates is funded

2.4 Funding of Activities

The Council has considered how to apply the available funding mechanisms to its activities. The following table is a summary of this approach. A copy of the detailed assessment, titled Activity Funding Needs Analysis is available on Council's website (www.southlanddc.govt.nz).

For operational expenditure, funding portions contributing to each activity are expressed as ranges, from low to high. These ranges equate to the following percentages:

Low: 0-33 percent **Medium:** 34-66 percent **High:** 67-100 percent

Capital expenditure funding contributions are also identified. The proportion of capital costs funded from each source will vary depending upon the nature of each capital works project.

| Activity Group | Activity | Funding of Operating Expenditure | | | | Funding of Capital Expenditure | Catchment(s)** | Detail and Rationale |
|--------------------|--|----------------------------------|----------------|------------------|--|---|---------------------------|--|
| | | General Rates (including UAGC) | Targeted Rates | Fees and Charges | Grants Subsidies and other Funding Sources | | | |
| Community Services | Community Assistance (includes: Grants and Donations, Work Schemes) | High | Low | | Med/Low | General rate, Targeted rates, Borrowing, Asset Sales, Depreciation, Reserves, Other Sources. | District | <p>District Grants are funded via General rate (high) in recognition of the broad public benefits provided.</p> <p>Local Grants are funded via Targeted Local Rates (low).</p> <p>All in the District benefit from Council providing this activity as it contributes to the social and economic well-being of our communities.</p> <p>Grants subsidies and other funding Sources - (med/low). Funding is sourced from the users of the work scheme service with some government grants provided.</p> <p>Capital expenditure relates to work schemes.</p> |
| Community Services | Parks and Reserves | Low | High | Low | | General Rate, Targeted Rates, Borrowing, Development and Financial Contributions, Grants and Subsidies, Reserves. | District, Area of Service | <p>District reserves are funded from General Rate (low) in recognition of the district wide public benefits provided by these reserves.</p> <p>Targeted Local Rates - (high). Each community decides whether to charge their local rate on the basis of a fixed charge per rating unit or a rate in the dollar on land value.</p> |

| Activity Group | Activity | Funding of Operating Expenditure | | | | Funding of Capital Expenditure | Catchment(s)** | Detail and Rationale |
|--------------------|--|----------------------------------|----------------|------------------|--|---|--|--|
| | | General Rates (including UAGC) | Targeted Rates | Fees and Charges | Grants Subsidies and other Funding Sources | | | |
| | | | | | | | | Each community funds its own parks and reserves in recognition of the local benefit. Some limited user fees (low) are received from groups that occupy Council reserve. |
| Community Services | Cemeteries | | Med | Med | Low | Targeted Rates, Borrowing, Financial Contributions, Grants and Subsidies, Reserves. | Area of Service | Targeted Local Rate (med). Each community decides whether to charge their local rate on the basis of a fixed charge per rating unit or a rate in the dollar on land value. This allocation recognises broader community benefits from having a local service. Fees and Charges (med) for the direct costs of burial and other associated costs through internment fees. This recognises the private benefit to the users of these facilities. Grants and Subsidies (low) may be received from time to time and used for this activity. |
| Community Services | Community Facilities (includes: Council Buildings, Community Centres, and Water Structures) | Low | Med | Med | Low | General and Targeted Rates, Borrowing, Grants and Subsidies, Reserves. | District for Council Facilities/buildings and Area of Service for Community Centres. | Council Facilities/Buildings are funded via General rate (low) recognising the district functions performed by Council. Community Centres funded via Targeted Rate (med) recognising the benefit to local communities. |

| Activity Group | Activity | Funding of Operating Expenditure | | | | Funding of Capital Expenditure | Catchment(s)** | Detail and Rationale |
|--------------------|-------------------|----------------------------------|----------------|------------------|--|--|----------------|---|
| | | General Rates (including UAGC) | Targeted Rates | Fees and Charges | Grants Subsidies and other Funding Sources | | | |
| | | | | | | | | <p>Fees and Charges - (med) are received from users of the facilities in the form of rental charges</p> <p>Grants and Subsidies (low) may be received from time to time and used for this activity.</p> |
| Community Services | Community Housing | Low | | High | | General Rate, Borrowing, Asset Sales, Grants and Subsidies, Reserves. | District | <p>General rate - (low) in recognition of broader social benefits associated with this activity.</p> <p>Fees and Charges - (high) for direct operating costs funded from tenant rent. These recognise the private benefit provided to tenants.</p> |
| Community Services | Library Services | High | | Low | Low | General Rate, Borrowing, Asset Sales, Reserves. | District | <p>General Rate (high)</p> <p>This reflects that this service provides a benefit that is available to all ratepayers.</p> <p>Fees and Charges - (low) Service fees for library activities.</p> <p>Other funding (low) includes fines for late return and contributions to library activities.</p> |
| Community Services | Public Toilets | High | | Low | | General Rate, Depreciation, Borrowing, Grants and Subsidies, Reserves. | District | <p>General Rate (high) reflecting the widespread public benefits associated with this activity.</p> |

| Activity Group | Activity | Funding of Operating Expenditure | | | | Funding of Capital Expenditure | Catchment(s)** | Detail and Rationale |
|---------------------|-----------------------------|----------------------------------|----------------|------------------|--|---|-----------------|---|
| | | General Rates (including UAGC) | Targeted Rates | Fees and Charges | Grants Subsidies and other Funding Sources | | | |
| | | | | | | | | Fees and Charges - (low) charges for maintenance of high level of service facilities. |
| Community Services | Airports | | High | Low | | Targeted Rate, Borrowing, Reserves. | Area of Service | Local Targeted rate fixed charge per rating unit - (area of service) - (high) recognising that the economic benefits primarily flow to the local community. Fees and Charges - (low) operating costs aim to be funded via user charges given that they are readily identifiable. |
| Community Services | Electricity Supply (SIESA) | | | High | | Borrowing, Asset Sales, Reserves. | Area of Service | Fees and Charges - (high). Electricity generation, distribution, general operations and maintenance are recovered through user pay fees applicable to consumers who are using the supply. |
| District Leadership | Representation and Advocacy | High | Low | | Low | General Rate, Borrowing, Asset Sales, Depreciation, Reserves. | District | General Rate (high). All in the District benefit from Council providing this activity and have the opportunity to contact their local elected members and/or Council. Targeted Local Rate - (low). This is used to fund CDA and Community Board costs reflecting the local community benefit of these services. Other funding sources – (low) is from |

| Activity Group | Activity | Funding of Operating Expenditure | | | | Funding of Capital Expenditure | Catchment(s)** | Detail and Rationale |
|---------------------|---|----------------------------------|----------------|------------------|--|--|---------------------------|---|
| | | General Rates (including UAGC) | Targeted Rates | Fees and Charges | Grants Subsidies and other Funding Sources | | | |
| | | | | | | | | professional services provided to external parties. |
| District Leadership | Community Futures (includes Community Partnerships, District Economic Development, Visitor Experiences, Stewart Island Visitors Levy, Museum Services) | High | | Low | Low | Not applicable | District | General Rate (high) reflecting the public benefits that flow from this activity. Fees and charges – (low) are from the levy charged to visitors to Stewart Island. Other funding sources – (low) is from grants and subsidies. |
| District Leadership | District Support (includes: Customer service, Secretarial support for local communities) | High | Low | | Low | General Rate, Targeted Rate, Borrowing, Asset Sales, Reserves. | District, Area of Service | General Rate (high) reflecting the desirability of Council providing a district wide customer service centre network. Set as a fixed charge plus rate in the dollar on capital value. All ratepayers benefit from this activity. Targeted Local Rate - (low) funds the costs of providing support to local Community Boards and CDAs. Other funding sources – (low) is from sundry rental income received across a number of local communities. |

| Activity Group | Activity | Funding of Operating Expenditure | | | | Funding of Capital Expenditure | Catchment(s)** | Detail and Rationale |
|----------------------|--|----------------------------------|----------------|------------------|--|---|----------------|--|
| | | General Rates (including UAGC) | Targeted Rates | Fees and Charges | Grants Subsidies and other Funding Sources | | | |
| District Leadership | Corporate Support (includes: Strategy, Communication and Engagement, People and Capability, Information Management, Finance) | High | | Low | | General Rate, Borrowing, Asset Sales, Depreciation, Reserves | District | General Rate - (high) reflecting the public benefits associated with this activity. Fees and charges – (low) are from rental fees and financial service cost recoveries. |
| District Leadership | Forestry | | | | High | Borrowing, Asset Sales, Reserves. | District | Other funding – (high) is from proceeds from harvesting. |
| Emergency Management | Emergency Management Southland | High | | | | Not applicable | District | General Rate (high). All people in the District derive a benefit from having appropriate emergency management capability in place. |
| Regulatory Services | Building Control (includes: Regulation of building work) | Low | | High | | General Rate, Asset Sales, Borrowing, Depreciation, Reserves. | District | General Rate - (low) This links the level of development of a property to its liability for the targeted rate. Fees and Charges - (high) are the main funding source for this activity reflecting that the users are readily identifiable. |
| Regulatory Services | Resource Management (includes: District Plan, Resource Consents) | High | | Low | | General Rate, Borrowing, Reserves. | District | General Rate - (high). All ratepayers benefit from this activity given the desirability of managing land use across the district. |

| Activity Group | Activity | Funding of Operating Expenditure | | | | Funding of Capital Expenditure | Catchment(s)** | Detail and Rationale |
|---------------------|--|----------------------------------|----------------|------------------|--|--|---------------------------|---|
| | | General Rates (including UAGC) | Targeted Rates | Fees and Charges | Grants Subsidies and other Funding Sources | | | |
| | | | | | | | | Fees and Charges - (low) recognises that the users are readily identifiable. |
| Regulatory Services | Animal Control | Low | | High | Low | General Rate, Fees and charges, Borrowing, Asset Sales, Depreciation, Reserves | District | General Rate - (low) - recognises the public benefit to all ratepayers. Fees and charges – (high) are applied to ensure that service users fund the majority of this service as they are readily identifiable. Other funding – (low) income is received from other sources (ie fines and grants/contributions). |
| Regulatory Services | Environmental Health (includes: Registration and inspection of licenced premises, noise control, liquor licensing, freedom camping) | Low | | High | | General Rate Borrowing, Asset Sales, Depreciation, Reserves | District | General Rate - (low) recognises that there is a level of public benefit to all ratepayers from having these activities managed. Fees and charges – (high) are applied to ensure that service users fund the majority of this service as they are readily identifiable. |
| Roads and Footpaths | Roads and Footpaths (Includes: Around the Mountains Cycle Trail) | Low | High | | Low | Targeted Rates, Borrowing, Asset Sales, Development and Financial Contributions, Depreciation, Grants and Subsidies, Reserves. | District, Area of Service | General Rate - (low) recognises that there is a level of public benefit to all ratepayers from the Around the Mountain Cycle Trail. The General rate only funds the repayments of the loan associated with the capital cost of Stage One. |

| Activity Group | Activity | Funding of Operating Expenditure | | | | Funding of Capital Expenditure | Catchment(s)** | Detail and Rationale |
|----------------|------------------------|----------------------------------|----------------|------------------|--|---|-----------------|--|
| | | General Rates (including UAGC) | Targeted Rates | Fees and Charges | Grants Subsidies and other Funding Sources | | | |
| | | | | | | | | District Wide Targeted Rate - (high). Fixed charge per rating unit plus a differentiated rate in the dollar on capital value. The district wide rate recognises the public benefits associated with having a district wide transportation network that allows for development of the district as a whole. The differentiated targeted rate recognises the exacerbator costs created by heavy vehicles. |
| | | | | | | | | <p>There are also local targeted rates charged to fund local roading activity (ie footpaths) which delivers benefits specific to those local communities.</p> <p>Other funding – (low) this activity attracts NZTA funding for roading maintenance and capital work.</p> <p>The funding policy for this activity is applied to the balance of the rating requirement, following the NZTA subsidy.</p> |
| Solid Waste | Solid Waste Management | | High | Low | Low | Targeted Rates, Borrowing, Asset Sales, Grants and Subsidies, | Area of Service | Targeted Rate – (high) to fund solid waste and landfill rehabilitation costs given the public benefit of this aspect of the activity across the majority of the |

| Activity Group | Activity | Funding of Operating Expenditure | | | | Funding of Capital Expenditure | Catchment(s)** | Detail and Rationale |
|----------------|------------|----------------------------------|----------------|------------------|--|--|--------------------------|--|
| | | General Rates (including UAGC) | Targeted Rates | Fees and Charges | Grants Subsidies and other Funding Sources | | | |
| | | | | | | Depreciation, Reserves. | | district (excluding Stewart Island). In addition there is a targeted rate based on supply of service for bins as the users are readily identifiable. Fixed charge per bin. User charges - (low) collected via transfer stations as users are readily identifiable. Other funding – (low) collected from grants and subsidies. |
| Stormwater | Stormwater | | High | | | Targeted Rates, Borrowing, Depreciation, Reserves. | Area of Service | Local Targeted Rate – (high) reflecting that the benefits are primarily derived by the local communities in which the schemes are located. This activity does not have its own rate but is collected as part of the Community Board and Community Development Area Rates as it is not economic to collect as a separate rate. |
| Wastewater | Wastewater | | High | | Low | Targeted Rates, Lump Sum contributions, Borrowing, Asset Sales, Development Contributions, Depreciation, Reserves. | Area of Service (scheme) | District-wide Targeted Rate – (high) for operating expenditure reflecting the benefits that those connected or able to connect receive from the service provided. Local Targeted rates for capital costs funded via lump sum contributions reflecting the |

| Activity Group | Activity | Funding of Operating Expenditure | | | | Funding of Capital Expenditure | Catchment(s)** | Detail and Rationale |
|----------------|--------------|----------------------------------|----------------|------------------|--|--|--------------------------|--|
| | | General Rates (including UAGC) | Targeted Rates | Fees and Charges | Grants Subsidies and other Funding Sources | | | |
| | | | | | | | | benefit that those connected or able to connect receive. Local Targeted Rate for septic tank cleaning reflecting that the beneficiaries of this service are easily identified. All rates fixed charged per unit of service. Rating units outside of the range of reticulation networks or septic tank area of service are not charged these rates. This enables the costs to be passed onto the ratepayers that benefit from the activity. Other funding – (low) is from rentals associated with this activity. |
| Water Supply | Water Supply | | High | | | Targeted Rates, Lump Sum Contributions, Borrowing, Asset Sales, Development Contributions, Depreciation, Reserves, | Area of Service (Scheme) | District-wide Targeted Rate – (high) for operating expenditure reflecting that those connected or able to connect directly benefit from the service being provided by Council. Some water supplies are metred. Some water charging is via a direct contractual arrangement with the user. |

* There is a variety of Targeted Rates

** Unless otherwise stated, Development Contribution catchments are the same as the capital expenditure catchments indicated in the table

Explanatory Note:

Separately Used or Inhabited Part (SUIP)

A Separately Used or Inhabited Part of a rating unit includes any portion inhabited or used by the owner/a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement. Examples of a SUIP are listed below: For the purposes of this definition, vacant land is not a SUIP.

Background

Under the Local Government (Rating) Act 2002 charging Separately Used or Inhabited Parts of a Rating Unit is an option for both a Uniform Annual General Charge and for targeted rates. The following are examples of where, under the Council's definition of a SUIP, there may be application of multiple charges for Separately Used or Inhabited Parts of a Rating Unit:

- single dwelling with a flat attached
- two or more houses, flats or apartments on one Certificate of Title (Rating Unit)
- business premise with flat above
- commercial building leased to multiple tenants.
- farm property with more than one dwelling.

3 Roles and Responsibilities

| Party/Parties | Roles and Responsibilities |
|-------------------------|---|
| Chief Financial Officer | Ensure compliance with the Revenue and Financing Policy. |
| Finance Manager | Implement and monitor the Revenue and Financing Policy in relation to Rating and other Funding. |

4 Associated Documents

- Local Government Act (2002).
- Local Government (Rating) Act (2002).
- Development and Financial Contributions Policy (r/17/10/24438).

5 Revision Record

The Revenue and Financing Policy will be reviewed three yearly as part of the Long Term Plan process.

| Date | Version | Revision Description |
|------------------|-----------|--|
| 23 November 2017 | Version 1 | Draft version for Council review |
| 13 December 2017 | Version 2 | Final Draft version for Council to approve for public consultation |
| 9 February 2018 | Version 3 | Final draft amended as requested by Audit NZ |
| 2 May 2018 | Version 4 | Final Draft incorporating amendments from submissions |
| 20 June | Final | Adopted by Council |