

Review of revenue and financing policy

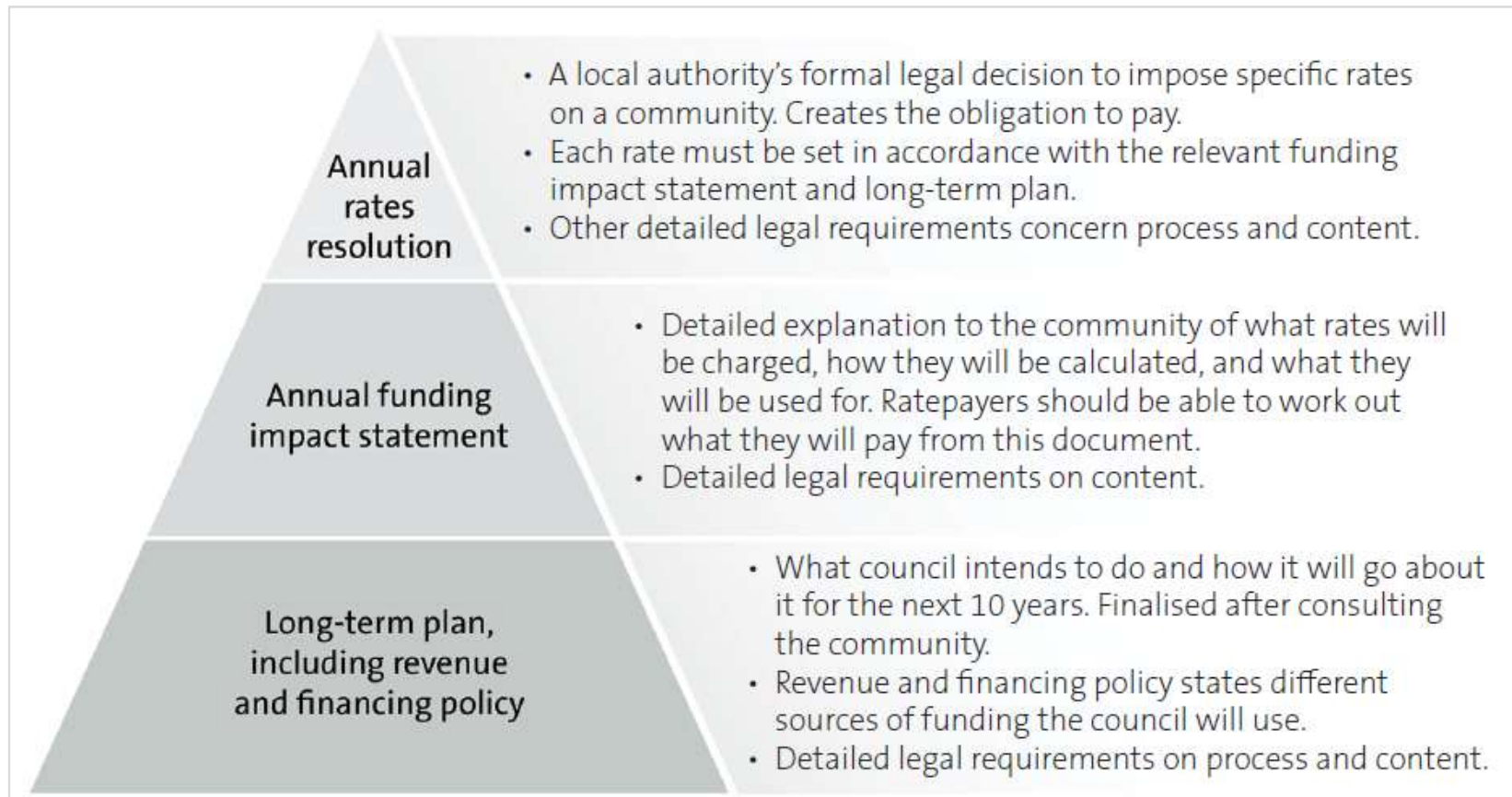


24 August 2023



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- Recap
- Principles that may guide our application of legislative tests
- Our proposed approach
- Some initial indicative results from the approach
- Affordability tests and section 101(3)(b)



Section 101(3) of the Local Government Act

The outcomes contributed to

Whether benefits are distributed across the community or to identifiable parts

The timeframe over which benefits accrue

Whether the activity is caused by individuals or identifiable groups

Costs and benefits of funding separately

The overall impact on current and future wellbeing

What does it all mean?

There is no silver bullet or correct approach



Councils can apply a broad range of discretion in developing revenue and financing policies



No two councils are the same across the board



Decisions must be guided by some underlying principles

Principles from last session



Workable:

- Simple
- Efficient
- Transparent and accountable



Fair:

- Equitable
- Linked to benefit
- Consistent
- Incentivised



Sustainable:

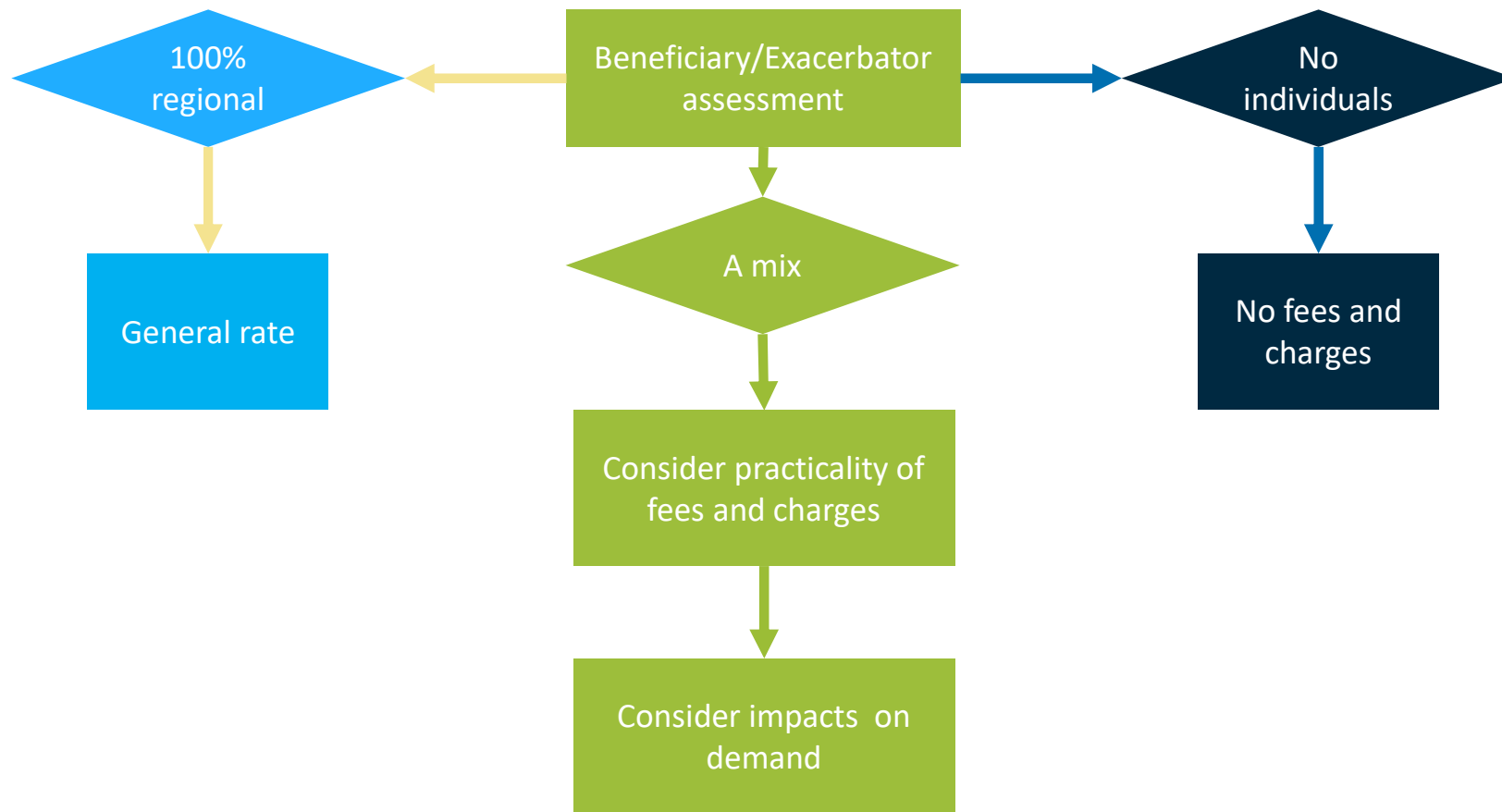
- Meet needs of today while maintaining future affordability
- Intergenerational equity
- Certainty

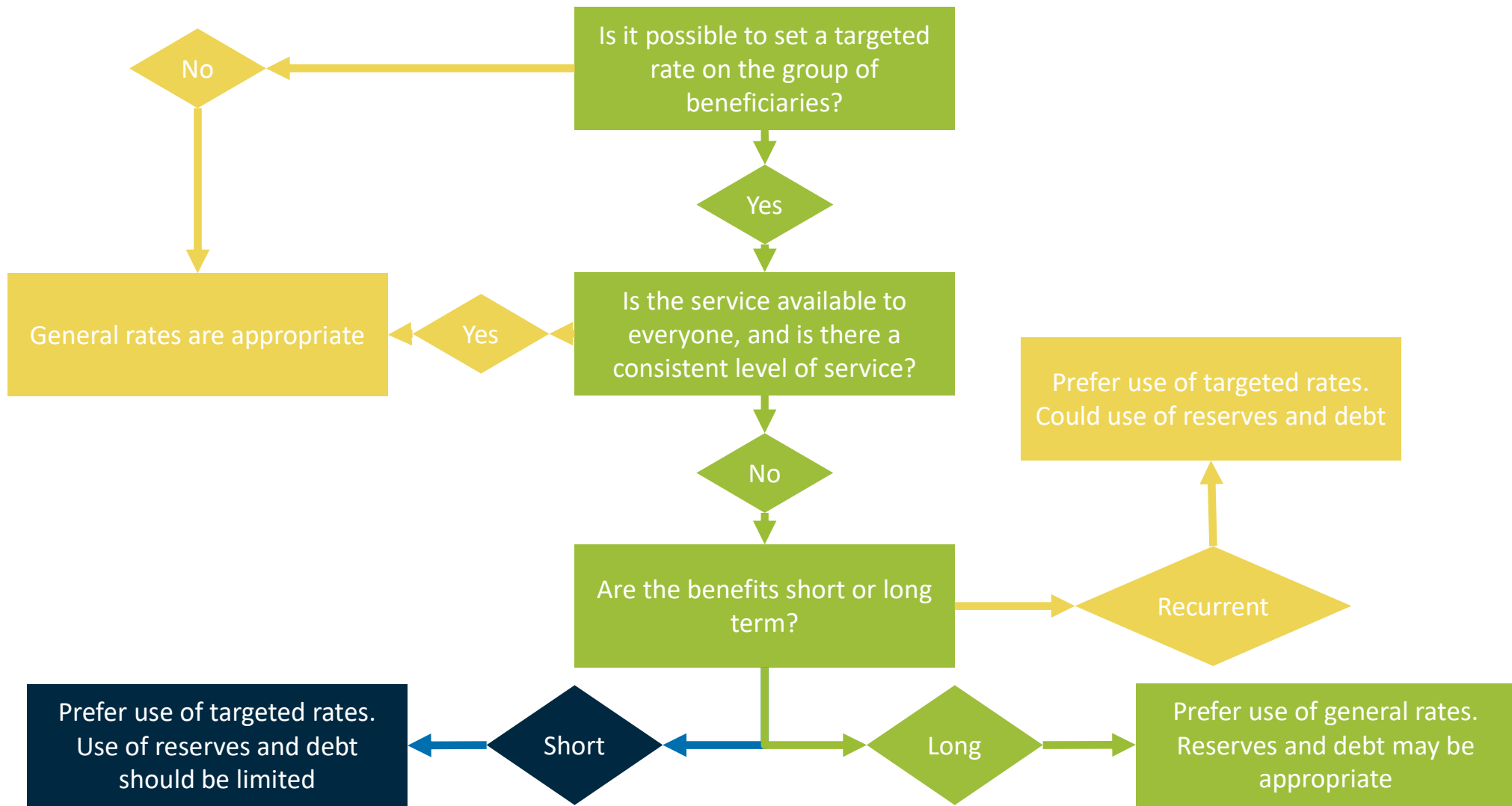
Our approach

- The legislative process has two steps:
 - 101(3)(a) – where we consider issues such as beneficiaries and exacerbators, as well as the time period of benefits, and alignment with strategic outcomes
 - 101(3)(b), and Preamble to Te Ture Whenua Māori Act, which considers impacts on wellbeing (including affordability), and promotion of retention, ownership and occupation of land by Maori

Section 101(3)(a)

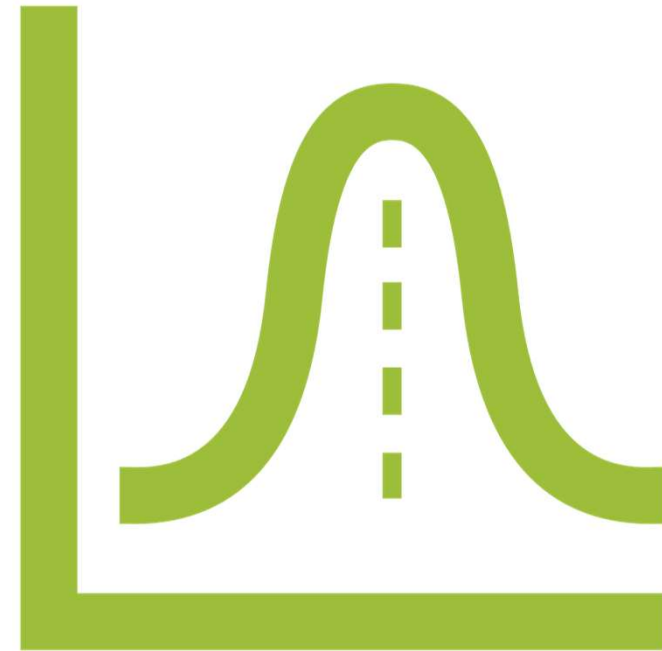
- A flow chart/decision tree type approach...
 - Who benefits?
 - Who's actions or inactions create the need/demand?
 - Is it practical to charge separately?
 - Are the benefits short or long term?
- Also considers alignment with strategic goals. Does the outcome of the above result in a funding approach that supports the achievement of goals?



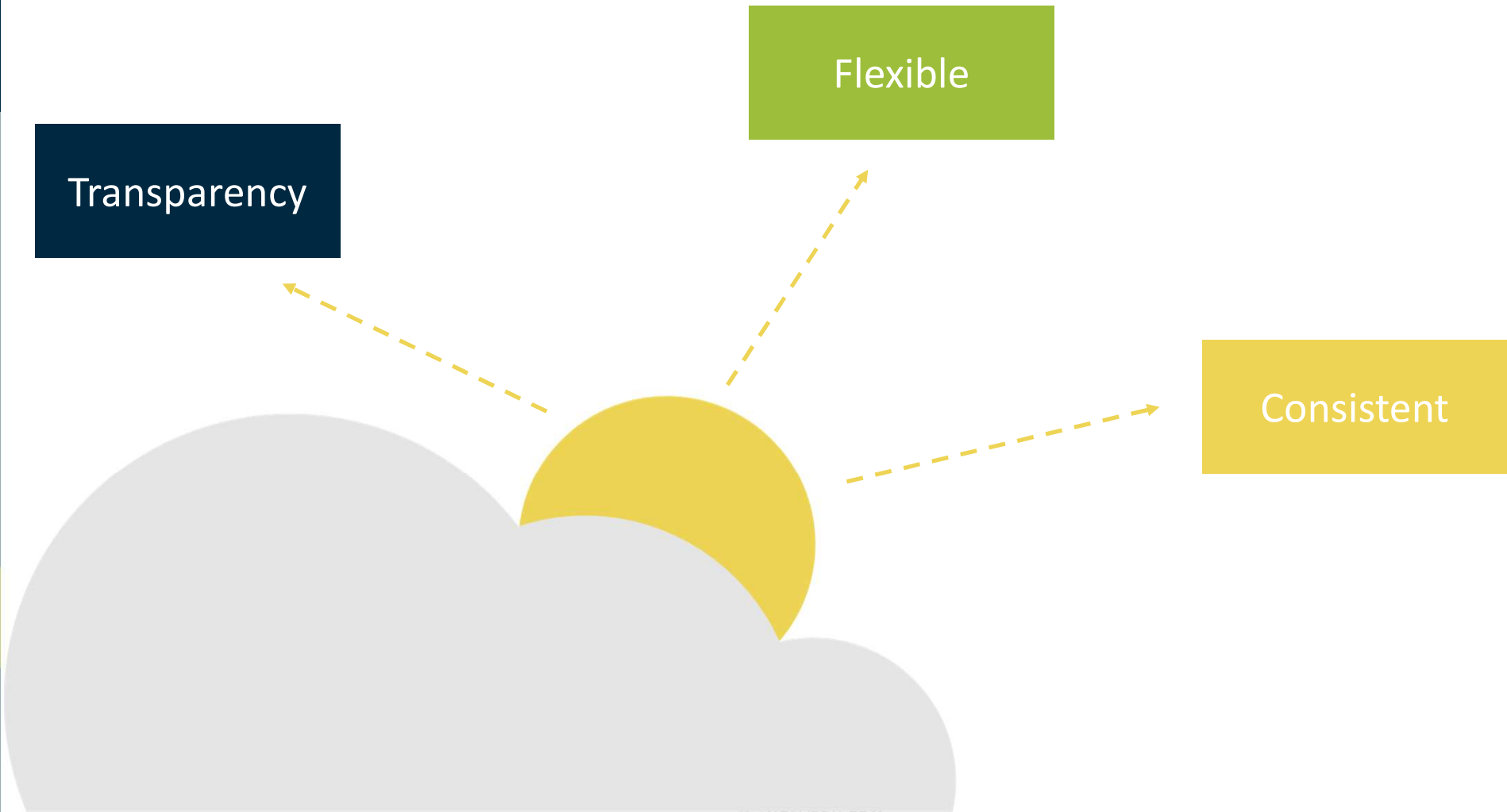


101(3)(b) – The overall impact

- How does the funding assessment align with our principles?
 - Does the funding mix support service delivery
 - Does the funding mix support wellbeing?
- At an activity level and overall
- Where has the funding balance shifted?
- Are the shifts deliberate?
- Are the shifts acceptable?



A climate resilience rate?



Things to consider...

- Who are the beneficiaries and exacerbators at all levels?
 - Individuals
 - Specific groups
 - Regional
- What benefits do they receive, how do they differ between the groups?
- How does the distribution of benefits differ?
- What is the overall impact on the four wellbeings?
- How does the funding decision align with strategic goals and priorities?