

Draft proposal to amend the Revenue and Financing Policy

About the Revenue and Financing Policy

Our Revenue and Financing Policy sets out the:

- funding tools available to us (for example rates and fees for services like building consents)
- factors we consider when deciding which tools to use
- decisions we have made on how to fund each of our activities.

What we need your feedback on

We propose to amend the Revenue and Financing Policy to pause the Long-term differential strategy (LTDS) for 2023/2024 to help reduce the immediate impact of proposed rates increases on non-business (residential and farm/lifestyle) ratepayers in 2023/2024.

Under the rating policy businesses pay a greater share of rates than non-business properties. Businesses make more use of, or place more demand on, council services like transport and stormwater and are better able to afford rates as they can claim back GST and rates can be claimed as expenses to offset income tax.

The council has previously decided that level of business rates is too high and should be reduced gradually over time, in order to support economic growth. The LTDS currently lowers the total amount of general rates (UAGC and value-based general rate) for businesses in equal steps from 31 per cent of the total requirement in 2022/2023 to 25.8 per cent by 2037/2038.

Pausing the LTDS for 2023/2024 would mean that:

- the general rates increase is applied evenly across all ratepayers in 2023/2024, reducing the amount of rates increase that non-business ratepayers (residential by around \$15) and increasing the amount of rates that business would otherwise pay in 2023/2024 by around \$198
- the LTDS and its impacts on the distribution of rates between business and non-business ratepayers would resume in 2024/2025
- it will take an additional year to reach the target share of 25.8 per cent from business ratepayers. This would not be accomplished until 2038/2039.

What happens if we don't make the proposed changes?

If we do not amend the Revenue and Financing Policy to pause the LTDS in 2023/2024, then the council will be unable to implement this as proposed as part of the Annual Budget 2023/2024 consultation.

When you can have your say

Submit your feedback on the proposed Revenue and Financing Policy from 28 February to 28 March 2023.

Alternatively, you can have your say on the proposed Revenue and Financing Policy by attending one of the Have Your Say events. Have Your Say events provide an opportunity for Aucklanders to have spoken interaction with council representatives.

What happens next

Your feedback will be analysed and reported to the Governing Body for its consideration before it decides on any amendments to the policy in June 2023.