



Revenue and Financing Policy

Fees and charges



DUNEDIN | kaunihera
CITY COUNCIL | a-rohe o
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Workshop agenda

- Recap - Revenue and Financing Policy
- Summary of Fees and Charges
- Two activity examples:
 - Aquatics
 - Community Housing

Revenue & Financing Policy

- Requirement of the Local Government Act to prepare and adopt a Revenue and Financing Policy
- Sets out :
 - how we will fund operating and capital expenditure, and
 - the sources of those funds

Funding Sources (LGA)

- General rates
- Targeted rates
- Lump sum contributions
- Fees and charges
- Interest and dividends
- Borrowing
- Proceeds from sale of assets
- Development contributions
- Grants and subsidies
- Any other source

Benefits

Type of benefit	Examples of Funding Source
Public benefit	General Rates Grants
Private benefit	Targeted Rates Fees and Charges Development Contributions

Fees and Charges

- Charged to identifiable people or groups using specific services, e.g., dog control, swimming pools, building consents.
- Reviewed annually
- To set at a level that will achieve revenue policy
- Some fees are set by legislation (in the Regulatory Services activity)



Aquatics

Current Revenue Policy for Aquatics

	Revenue	
	Rates	Other
2021-31 Policy	55%	45%
2023/24 budget	69%	31%
2024/25 draft budget*	70%	30%

To achieve the revenue policy in 2024/25, fees would need to increase by 48% (\$2.1 million)

* Provides for a 3% increase in fees and charges



Example 1 – 48% increase to achieve policy

Fee or charge (incl. GST)	2023/24 Fees	Increase Fees 48%	\$ increase
Adult Swim	\$7.60	\$11.25	\$3.65
Concession Swim	\$4.40	\$6.50	\$2.10
Child Swim	\$3.50	\$5.20	\$1.70
Family Swim	\$16.40	\$24.30	\$7.90
Family Swim & Slide	\$34.50	\$51.10	\$16.60
Adult Swim & Slide	\$13.60	\$20.10	\$6.50
Concession Swim & Slide	\$9.40	\$13.90	\$4.50
Child Swim & Slide	\$7.60	\$11.25	\$3.65
Increase in fees revenue		\$2.1 m	

Revenue Policy would be 55% rates income, 45% fees and charges

Example 2 – as per 2024/25 draft budget

Fee or charge (incl. GST)	2023/24 Fees	Increase Fees 3%	\$ increase
Adult Swim	\$7.60	\$7.80	\$0.20
Concession Swim	\$4.40	\$4.50	\$0.10
Child Swim	\$3.50	\$3.60	\$0.10
Family Swim	\$16.40	\$16.90	\$0.50
Family Swim & Slide	\$34.50	\$35.50	\$1.00
Adult Swim & Slide	\$13.60	\$14.00	\$0.40
Concession Swim & Slide	\$9.40	\$9.70	\$0.30
Child Swim & Slide	\$7.60	\$7.80	\$0.20
Increase in fees revenue		\$132,000	

Revenue Policy would be 70% rates income, 30% fees and charges

Example 3 – 5% fee increase

Fee or charge (incl. GST)	2023/24 Fees	Increase Fees 5%	\$ increase
Adult Swim	\$7.60	\$8.00	\$0.40
Concession Swim	\$4.40	\$4.60	\$0.20
Child Swim	\$3.50	\$3.70	\$0.20
Family Swim	\$16.40	\$17.20	\$0.80
Family Swim & Slide	\$34.50	\$36.20	\$1.70
Adult Swim & Slide	\$13.60	\$14.30	\$0.70
Concession Swim & Slide	\$9.40	\$9.90	\$0.50
Child Swim & Slide	\$7.60	\$8.00	\$0.40
Increase in fees revenue		\$220,000	

Revenue Policy would be 69% rates income, 31% fees and charges

Example 4 – 10% fee increase

Fee or charge (incl. GST)	2023/24 Fees	Increase Fees 10%	\$ increase
Adult Swim	\$7.60	\$8.40	\$0.80
Concession Swim	\$4.40	\$4.80	\$0.40
Child Swim	\$3.50	\$3.90	\$0.40
Family Swim	\$16.40	\$18.00	\$1.60
Family Swim & Slide	\$34.50	\$38.00	\$3.50
Adult Swim & Slide	\$13.60	\$15.00	\$1.40
Concession Swim & Slide	\$9.40	\$10.30	\$0.90
Child Swim & Slide	\$7.60	\$8.40	\$0.80
Increase in fees revenue		\$440,000	

Revenue Policy would be 68% rates income, 32% fees and charges

Other Council's - Aquatics

Council	Rates	User Pays
Auckland Council	89%	11%
Selwyn District	80%	20%
Wellington City	70%	30%
Dunedin – draft budget	70%	30%
Dunedin Policy	55%	45%
Tauranga City	47%	53%
Invercargill City	45 - 55%	45 - 55%
Queenstown Lakes	40%	60%



Community Housing, Revenue & Financing Policy

January 2024

Background

10 Year Plan 2021 – 2031 consultation asked,

Do you support rates being used to subsidise rents for DCC community housing?

On 31 May 2021 Council resolved to:

a)Amend the 2021-2031 Revenue and Financing Policy for Community Housing to be rates revenue at 10% and other revenue at 90%

Example 1 – Current Revenue Policy

90% User Pays	\$9.0 m
10% Rates Revenue	\$1.0 m
0% Unfunded depreciation	\$0

2024/25 Budgeted Expenditure **\$10.0 m**

Unit Type	# of Units	23-24 Current Rent	24-25 Rent	Increase (\$)	Increase (%)
Bedsit	67	\$128	\$161	\$33	25.8%
Single (partitioned flat)	316	\$131	\$165	\$34	26.0%
Single (separate flat)	349	\$136	\$171	\$35	25.7%
Double (partitioned flat)	60	\$179	\$226	\$47	26.3%
Double (separate flat)	47	\$185	\$233	\$48	25.9%
1 Bedroom	54	\$195	\$246	\$51	26.2%
2 Bedroom	47	\$228	\$287	\$59	25.9%

Example 2 – Draft 2024/25 Budget

70%	User Pays,	\$7.0 m
9.5%	Rates Revenue,	\$1.0 m
20.5%	Unfunded depreciation	\$2.0 m

2024/25 Budgeted Expenditure **\$10.0 m**

Unit Type	# of Units	23-24 Current Rent	24-25 Rent	Increase (\$)	Increase (%)
Bedsit	67	\$128	\$132	\$4	3.1%
Single (partitioned flat)	316	\$131	\$135	\$4	3.1%
Single (separate flat)	349	\$136	\$140	\$4	2.9%
Double (partitioned flat)	60	\$179	\$184	\$5	2.8%
Double (separate flat)	47	\$185	\$191	\$6	3.2%
1 Bedroom	54	\$195	\$201	\$6	3.1%
2 Bedroom	47	\$228	\$235	\$7	3.1%
Total Housing	940				

Example 3 – Status Quo Funding Ratios

76%	User Pays	\$7.6 m
10%	Rates Revenue	\$1.0 m
14%	Unfunded depreciation	\$1.4 m

2024/25 Budgeted Expenditure **\$10.0 m**

Unit Type	# of Units	23-24 Current Rent	24-25 Rent	Increase (\$)	Increase (%)
Bedsit	67	\$128	\$136	\$8	6.3%
Single (partitioned flat)	316	\$131	\$139	\$8	6.1%
Single (separate flat)	349	\$136	\$144	\$8	5.9%
Double (partitioned flat)	60	\$179	\$190	\$11	6.1%
Double (separate flat)	47	\$185	\$196	\$11	5.9%
1 Bedroom	54	\$195	\$207	\$12	6.2%
2 Bedroom	47	\$228	\$242	\$14	6.1%
Total Housing	940				

Example 4 – rent covers increased costs

78%	User Pays	\$7.8 m
10%	Rates Revenue	\$1.0 m
12%	Unfunded depreciation	\$1.2 m
2024/25 Budgeted Expenditure		\$10.0 m

Unit Type	# of Units	23-24 Current Rent	24-25 Rent	Increase (\$)	Increase (%)
Bedsit	67	\$128	\$140	\$12	9.4%
Single (partitioned flat)	316	\$131	\$143	\$12	9.2%
Single (separate flat)	349	\$136	\$148	\$12	8.8%
Double (partitioned flat)	60	\$179	\$195	\$16	8.9%
Double (separate flat)	47	\$185	\$202	\$17	9.2%
1 Bedroom	54	\$195	\$213	\$18	9.2%
2 Bedroom	47	\$228	\$249	\$21	9.2%



Revenue Policy / Fees & Charges Considerations

- Public vs private benefit
- Affordability
- Change in fees vs change in numbers using a service
- Amend policies?



Next steps:

- 20 February Council meeting reports include decision making on:
 - Revenue and Financing Policy (incl. Aquatics)
 - Community Housing Fees and Charges
 - Operating budgets incorp. Fees and Charges



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