

WAITOMO DISTRICT COUNCIL

Rates Newsletter

July 2016

Council adopted its Annual Plan 2016/17 on Tuesday 28th June, after considering public feedback.

The rates revenue requirement in the 2016/17 EAP is \$19.06 million, an overall **average 2.85% rates increase** over the current year, however, it is 1.1% less than the forecast contained in the Long Term Plan 2015-25 (LTP).

Copies of the Annual Plan are available from our Queen Street Office and our website www.waitomo.govt.nz

For the 2016/17 year, Council intends to continue progress in its focus areas of Community Connectivity and Development, Economic Development, and Good Asset Stewardship; within a financially prudent and sustainable manner. This will involve progressing some projects planned and set out in the LTP 2015-25 and investigations in some other areas in line with making progress towards the outcomes set out by Council.

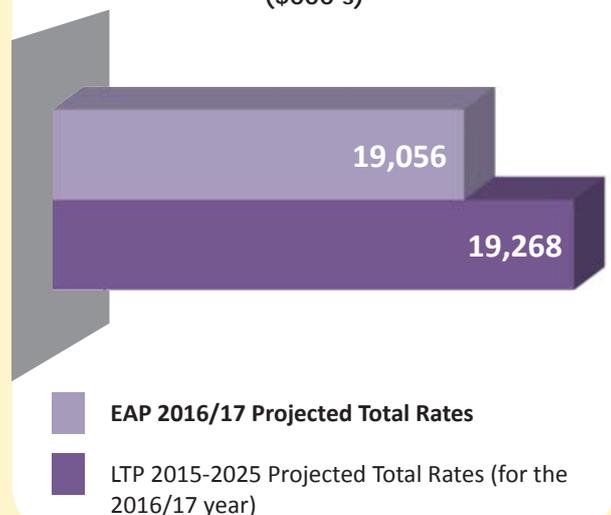
The key initiatives planned for 2016/17 are:

- Facilitation of the Retirement Housing project development
- Investigation of new Campground in Te Kuiti
- Concept plan development for Timber Trail Marketing
- Complete the Te Kuiti Railway Station Buildings project (majority of which will be completed by the end of the 2015/16 year)
- Support Digital advancement of the District
- Support implementation of the Waitomo Village Structure Plan
- Complete the planned phases of the Te Kuiti Water Treatment Plant project
- Sealing of Maraeroa Road

The total rate revenue required for the 2016/17 financial year is substantially lower than the 3.99% increase forecast in the LTP 2015-25 for the 2016/17 year.

The decrease is a result of prioritising needs and re-sequencing works where appropriate. More favourable interest rates and lower than forecast public debt have also been contributors to the reduction in rates requirement.

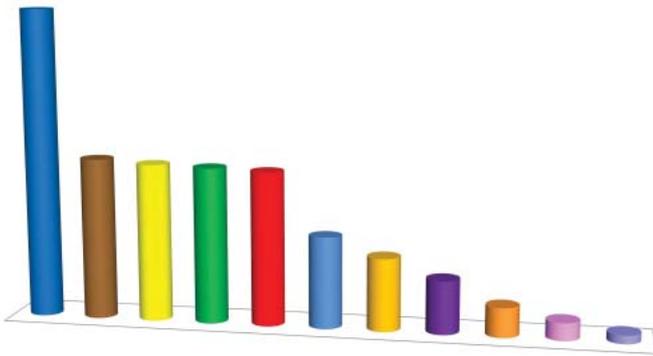
Forecast Total Rates Requirement (\$000's)



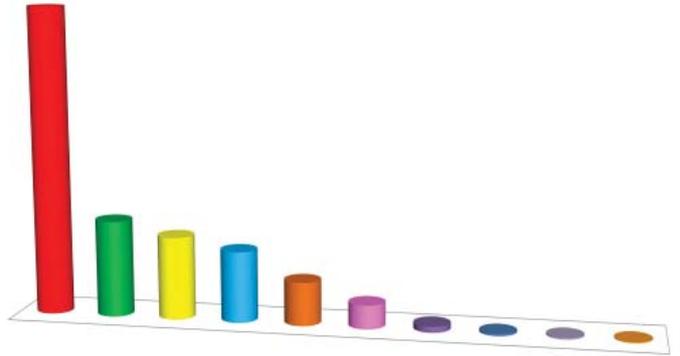
Where are my rates per week spent?

The following graphs provide a summary of where rates are spent on a weekly basis using indicative residential and rural properties.

**Average Te Kuiti Residential Property
(paying \$67.00 per week)**



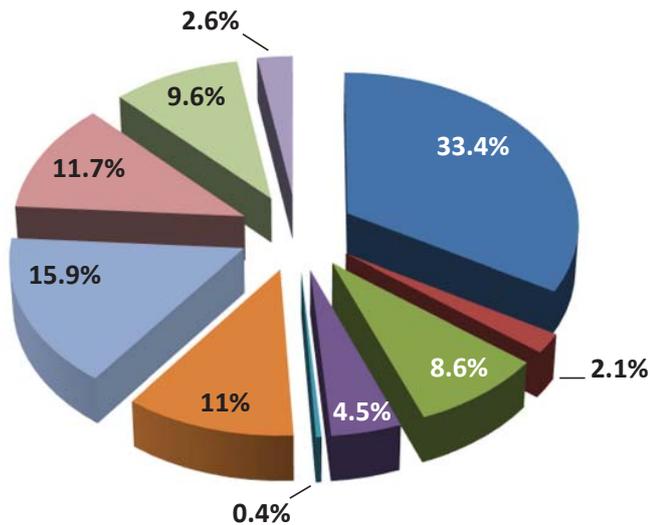
**Mid-Range Farm Business
(paying \$237.00 per week)**



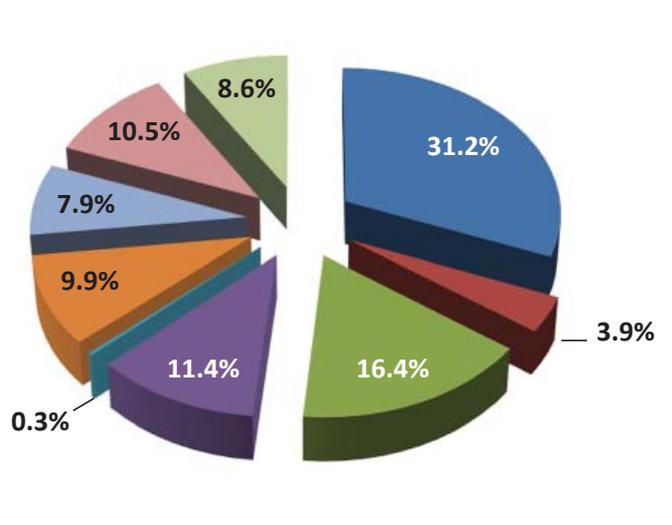
What does the Uniform Annual General Charge (UAGC) and General Rate fund for the 2016/17 financial year?

The following graphs show the Council Services that are funded by the Uniform Annual General Charge (UAGC) and General Rate.

**UAGC contributes funding to these
Activities and Functions**



**General Rate contributes funding to these
Activities and Functions**



Waitomo District General Revaluation

The Rating Valuations Act 1998 requires that every property in New Zealand must be revalued for rating purposes at least once every three years. The last revaluation for the Waitomo District occurred in September 2012. As Council's appointed Valuation Service Provider, Quotable Value New Zealand (QV), undertook the revaluation on behalf of Council.

Rating values are assessed on behalf of Council by Quotable Value using a 'mass-appraisal' process. This method is used all over the world and takes into consideration your properties attributes and the value of local sales. A rating valuer has considered relevant property sales from your area around the time of the revaluation. A market trend is established and applied to similar properties. Stringent quality standards are met and the process is independently audited by the Office of the Valuer General, a division of Land Information New Zealand.

Valuation Notices

All owners and ratepayers received notices of the revised values in October 2015. These notices detailed the new Capital Value of your property as at **1 September 2015**. The Capital Value reflects the probable price that would be paid for the property if it had been for sale at the date of the general revaluation. This valuation does not include chattels, dairy company shares, stock, crops, machinery or trees. The valuation is deemed to include GST (if any) for residential property, and exclude GST for other property types.

The new values will be first used for rating purposes from 1 July 2016.

Although determined on 1 September 2015, the new rating valuations will not affect the rating calculations until 1 July 2016. This allowed time for people to object to their new valuations and is a requirement of the law.

My Rating Valuation has gone down but my rates have stayed the same?

There are often a large number of ratepayers scratching their heads about why the amount of rates they are being asked to pay has stayed the same when their property value has gone down.

Changes in rating values for each property are not the primary cause of the rates assessed. It is the value of your property in relation to the value of all properties in the area that is the significant factor. If your value increase is at the average increase for all properties in the District then the change in your rates will be minimal. This doesn't necessarily mean those ratepayers who have experienced a drop in their rating valuation will automatically experience a drop in this year's rates.

The reason is twofold -

1. Rating value is only one of many things considered by Council when apportioning the rates in the Waitomo District. Fixed charges for services provided, which are not influenced by the rating value of a property in any way at all, actually make up a larger share of most people's rates.
2. The rating-value-based part of your rates is expressed as a percentage of the total value of all properties in order to apportion the rates.

Although this can sound complicated, once you get your head around the concept, it's actually a piece of cake.

Imagine the total value of all properties in your street is a chocolate cake. The cake is divided into slices based on the value of each property. Your neighbour's property is worth more than yours so they have a bigger slice of the cake than you do. Then you receive your rating revaluations. The value of your property has dropped by 7% but so has the value of every house on the street.

Therefore, your rating value has dropped but your percentage total of the cake remains the same, so there will be no difference in your rating-value-based rates.

However, if your property's rating value drops by 7% but everyone else puts in a new swimming pool and their value increases, you'll end up with a smaller slice of the total cake and your rating-value-based rates will reflect that change.

Waitomo District Revaluation Summary

- The overall value of the Waitomo District is \$3.045 billion (including non-rateable properties) which is 2.0% higher than the 2012 values.
- The majority of properties in the District are Residential (42%), followed by Lifestyle (23%), Pastoral (14%), Other and Utilities (9%).
- Pastoral properties make up the majority of value in the District (50% based on capital value), followed by Dairy (12%), Residential (10%) and Lifestyle (10%).

Revaluation Summary of Movements by Sector

Sector	No. Assessments	2015 Capital Value (\$000)	% Change	2015 Land Value (\$000)	% Change
Dairy	121	368,915	1.8%	291,460	2.2%
Pastoral	837	1,513,715	1.3%	1,241,397	1.2%
Forestry	265	76,789	0.0%	71,229	0.0%
Lifestyle	1,350	318,292	0.0%	159,797	-0.4%
Residential	2,437	318,162	-1.2%	111,256	-3.0%
Commercial	198	104,775	1.4%	35,500	1.8%
Industrial	109	47,374	4.7%	5,568	-0.5%
Other	543	297,273	12.6%	39,431	-8.6%
TOTAL	5,860	3,045,295	2.0%	1,955,638	0.7%

Rates Payments

To assist ratepayers to budget for payment of their rates, the Council operates a system of payment by quarterly instalments.

Rates for the financial year commencing 1 July are payable in four equal instalments.

Instalment	Due Date
1	31 August 2016
2	30 November 2016
3	28 February 2017
4	31 May 2017

Penalty for Overdue Rates

A penalty charge of 10% will be added on any part of an instalment which remains unpaid after 5pm on the due date for payment of that instalment. A further penalty charge of 10% will be added on any part of any rates assessed before 1 July 2016 that remains unpaid on 1 July 2016.

Rates Payment Options

You can pay your rates in the following ways:

- Easy Pay Direct Debit,
- Direct Credit
- Automatic Payment,
- Cash or Cheque (can be post dated)
- Eftpos or Credit Card

Council's recommended payment method is direct debit

Choosing this method ensures that no penalties will be charged, and that means there are no due dates to remember during the rating year. If you are not currently on Direct Debit, Direct Credit or Automatic Payment, you can post your payment cheque or alternatively, come in to Council Office, Queen Street, Te Kuiti. Our customer services team will be happy to assist you.

Are you having difficulty paying your rates invoice?

There are a variety of payment options available for customers to help them pay their rates and pay off rates arrears if they are having difficulty meeting payments. Please contact our customer services team to find out how we can help.

Rates Rebate Scheme

Applications are now open for rates rebates for the 2016/17 rating year.

The Rates Rebate Scheme available from Central Government benefits ratepayers who are on lower incomes and pay rates for the home in which they live. The amount of rate rebate depends on a combination of your income, the amount of rates you are charged and the number of dependents you have. For example, the income abatement threshold for 2016/17 is \$24,470.

The threshold is increased by \$500 for each dependant living with the ratepayer. This is not an absolute cut-off point but the point at which the rebate value is reduced in proportion to excess income.

What this means is that although a person's income might be greater than the income threshold, a rebate could still be available depending on the rates amount and the number of dependants living with the ratepayer. Ultimately, the ratepayer's rebate must be calculated to determine the amount of any rebate to which they will be entitled.

The maximum rates rebate available to a legal ratepayer for the property that was their home on 1 July 2016 is \$610.

If you are not sure if you qualify for a rates rebate please contact our Customer Services Team to discuss.

If homeowners meet additional criteria, they can apply for a new rates rebate from 1 July 2016 for the 2016/17 rating year.

Rates Remission Policy

This Policy provides for Rates Remissions under the following categories:

- Remission of Penalties
- Remission of Rates for New Residential Subdivisions
- Remission of Rates for Properties used Jointly as a Single Unit.
- Remission for Community Organisations
- Remission for Organisations Providing Care for the Elderly
- Remission for Land Owned by Clubs and Societies
- Remission of Rates on Maori Freehold Land.
- Remission of Rates in cases of Genuine Financial Hardship.

For a full copy of the Rates Remission Policy, application forms and due dates for applications are available on the Council website at www.waitomo.govt.nz or contact our Customer Services Team for a paper copy to be sent. Please be aware that all rates must be paid by the due date regardless of the status of your rates remission application.

Rating Information Database

As a property owner your details (your name and postal address) are made public on Council's rating information database. You have the right to request that this information is treated as confidential and withheld. To do this you must give notice in writing and your details will be withheld.

The Rating Information Database also contains details about your property that Council uses to set and levy rates. Information such as the number of separately used or inhabited parts of each property influences the rates levied. It is important that this information is correct.

If you believe that the information Council has about your property is incorrect it is important to notify us in writing so it can be investigated.

Contact information

For further assistance please contact our friendly Customer Services Centre.

Our office hours are Monday - Tuesday 8am to 5pm.
Wednesday 9am to 5pm. Thursday - Friday 8am to 5pm.



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