

# Your rates

## For the 2011-12 financial year

### Dear Waitomo Ratepayer

In setting the level of rates for the coming year, your Council continues to implement a strategy that recognises the need to strike the right balance between the needs for prudent and sustainable financial management, rates affordability and an overall contribution to community wellbeing through the delivery of services.

Council's decisions have resulted in a moderate rate increase of 7.18% for 2011/12 when compared to the 10.4% forecast for the 2011/12 financial year of the Long Term Plan.

When developing the 2011/12 Annual Plan, we were faced with significant challenges as a result of the many capital projects we are committed to, namely sewerage works in Benneydale, Te Kuiti and Piopio and the future rating implications these projects pose to the Waitomo District.

Council has looked at identifying opportunities to limit the need for increased rate funding and, where possible, make savings. These savings have then been re-allocated to help fund areas of greatest need. The major area of need is the roading "catch up" rate where we plan to borrow less than originally planned and use savings from other areas and reserves to match the need. In light of the global recession the 2009 "roading catch up" rate was extended a further two years to fully fund roading operating expenses.

We have achieved savings in two areas. Firstly we are deferring some Capital projects, and secondly we are making operational savings, which will result in changes in access to some services.

The main changes as a result of these reductions in operational expenditure are:-

- District and Regional Promotion, where savings of

\$40,000 have been made.

- Te Kuiti i-SITE, reduced operating hours resulting in savings of \$13,500.
- Waitomo District Library, reduced operating hours resulting in savings of \$57,000.
- Community Grants. Council had proposed to disestablish the Community Partnership Fund and save \$45,000 of rate requirement. As a result of public submissions Council agreed to reinstate the Fund up to \$25,000 in 2011/12 but to fund it from the balance of unspent grants carried forward from the 2010/11 financial year. The desired savings of \$45,000 were still achieved.
- Sister City Tatsuno, budget has been reduced to \$2,000.
- Removal of the inorganic refuse collection, savings of \$37,000.

The capital projects that have been deferred are covered in the document - the main ones being previously planned Water Supply upgrades and further reduction in expenditure on roading.

In summary, if the "roading catch up" rate wasn't needed we would be looking at a rate reduction this year due to budget cuts. While this sounds nice, it is a dangerous position to be in over time. This situation occurred here in the 1990's where accumulated reserves were used up in substitution of necessary rate rises and rates were held at artificially low levels. That was not sound, prudent financial management and has resulted in the position we find ourselves in today. We are determined not to follow the mistakes of the past. We must match our operational spend with appropriate rating levels.

Inframax Construction Limited (ICL) is a Council Controlled Trading Organisation (CCTO) wholly owned by Council.

Although it is wholly owned by Council, ICL is an independent legal entity with its own Board of Directors and management structure and bound by the legal obligations of the Companies Act. Part 5 and Schedule 8 of the Local Government Act 2002 provide for the method in which the two separate legal entities, Waitomo District Council (WDC) and ICL can identify and agree the proposed (forecast) activities and intentions of ICL as a CCTO. This method provides for the development of a Statement of Corporate Intent (SCI) which is agreed to between the Company and the Shareholder. Council uses the SCI as a tool to establish and monitor the performance of its investment in ICL on behalf of the community.

Council's investment in ICL has, in the past, been beneficial with the investment returning yearly dividends to Council. However, in preparation of the Long Term Plan 2009-2019, Council took a conservative approach and forecast a reduction in investment income.

Over time, further information has been provided to Council (as 100% Shareholder in ICL) by the ICL Board of Directors demonstrating that ICL is not going to meet the 2010/11 performance criteria established by the current Statement of Corporate Intent and that action may be required to further strengthen the Company's financial structure.



Best wishes

Mayor Brian Hanna

## Rates Instalments

Rates are set and charged annually at 1 July every year and are invoiced in four (4) instalments plus GST at the prevailing rate.

	Date	Due Date	Period Covered
1	1 Aug 2011	31 Aug 2011	1 Jul - 30 Sept 2011
2	1 Nov 2011	30 Nov 2011	1 Oct - 31 Dec 2011
3	1 Feb 2012	28 Feb 2012	1 Jan - 31 Mar 2012
4	1 May 2012	31 May 2012	1 Apr - 30 Jun 2012

## Property Rates

The following provides a description of rate lines that may appear on your rates invoice/assessment and outlines the activities and/or services funded by each.

### General Rate

The General Rate is assessed as a rate in the dollar, calculated on the rateable capital value of a property. This rate contributes to funding the following activities Leadership, Parks and Reserves, District Libraries, District Swimming Pool, Arts Culture and Heritage, Aerodrome, Public Facilities, Community Development, Regulation, Waste Minimisation, District Plan Administration and Investments.

### Uniform Annual General Charge (UAGC)

The UAGC is levied on each separately used or inhabited part of a rating unit across the District. It is used as a funding tool to ensure each property contributes towards services that benefit the entire District and the benefit is assessed as being equal to all ratepayers.

## Land Transport

### Land Transport Rate

The Land Transport Rate is levied as a rate in the dollar calculated on the rateable capital value of a property. It is used to fund the local Roads Network (part of Land Transport Activity).

As the Land Transport activity forms a substantial part of Council's expenditure, this rate has been separated from the General Rate so that ratepayers can clearly see their contribution to the maintenance, renewal and development of the Land Transport network.

### Land Transport Special Levy

In the past some expenditure to maintain local roads was funded through debt (loan funding). Council is committed to replace (over time) debt with rates

to fund operating expenditure. This special Levy has been levied as a separate rate to help make the transition from debt to rate funding more transparent.

## Service Charges

### Targeted Services Rate

The Targeted Services Rate is levied to fund those parts of the local roads network that do not attract government funding support and to also part fund the Swimming Pool Activity. It is levied as a Uniform Annual Charge on every separately used or inhabited part of a rating unit in the District and will be differentiated by rating area. The Rating Area used for the purpose of levying this charge is the Te Kuiti Urban and Periphery Rating Area.

### Stormwater Rate

The Stormwater Rate is levied to fund the Stormwater activity. This rate is levied as a Targeted Uniform Annual Charge on every separately used or inhabited part of a rating unit and is differentiated by rating areas. The rating areas used for the purpose of levying this charge are Te Kuiti Urban Rating Area and the Rural Rating Area.

### Water Supply Service Charges

These charges take the form of Targeted Uniform Annual Charges (TUACs) levied on a uniform basis within every community where Council provides a reticulated water supply service. These TUACs are differentiated based on availability of service – connected properties are levied the full charge and those that have the access to, but are not connected to the service, are levied a half charge. Council currently provides a water supply service in Te Kuiti, Mokau, Benneydale and Piopio.

Some non domestic properties situated in Te Kuiti, Piopio, Benneydale or Mokau are defined as having extraordinary water connections and are charged for the service by the volume of water consumed. The charge is \$1.40 cents per cubic metre of water consumed.

### Sewerage Service Charges

These charges take the form of Targeted Uniform Annual Charges (TUACs) levied on a uniform basis within every community where Council provides a reticulated sewerage disposal service.

Council currently provides Sewerage schemes in Te Kuiti, Benneydale and Te Waitere and one is proposed for construction in Piopio. These TUACs are levied on every separately used or inhabited portion of a rating unit.

## Te Kuiti Sewerage Base Charge

Non residential properties will be charged a base charge for up to 3 pans and will be charged on a per pan basis for any additional pans over that number.

These charges will be calculated based on an assessment of the average hours of operation or business hours per week (calculated as an average over the year).

All non residential properties will fall under one of the three categories below and the base charge and per pan charge will be calculated as follows:

Category	Business Hours	Calculation factor per pan	Charge per pan*
TK Sewerage High Operating Hours	Greater than 40 hrs p/week	0.76	\$503
TK Sewerage Med Operating Hours	Equal to 40 hrs p/week	0.36	\$238
TK Sewerage Low Operating Hours	Less than 40 hrs p/week	0.20	\$132

## District Support for Services

Council resolved that a contribution be made by all rating units in the District towards the funding of existing Wastewater services in smaller communities that are eligible, so that appropriate and affordable services can be provided on a sustainable basis in response to community outcomes.

The 'Assistance for Smaller Communities' component of the Revenue and Financing Policy provides that the shortfall between the annual operating cost of the scheme and the total revenue from the uniform sewerage charge (calculated at the agreed cap) be funded by a contribution made by all rating units in the District, in the form of an 'Assistance for Smaller Communities' subsidy which aims to assist smaller communities with the sustainable operation of such a service.

### Benneydale Water Supply

This Targeted Uniform Annual Charge (TUAC) is levied on every rating unit in the district to assist the Benneydale community meet the cost of the operation of their water supply network. This assistance is provided when the cost per connection to a property on the existing water supply network exceeds \$1,400 per annum.

## Benneydale Wastewater

This rate is a Targeted Uniform Annual Charge (TUAC) is levied on every rating unit in the district to assist the Benneydale community meet the cost of the operation of their sewerage network. This assistance is provided to a community when the cost per connection to a property on an existing wastewater network exceeds \$1,000.

### Te Waitere Wastewater

This rate is a Targeted Uniform Annual Charge (TUAC) is levied on every rating unit in the district to assist the Te Waitere community meet the cost of the operation of their sewerage network. This assistance is provided to a community when the cost per connection to a property on an existing wastewater network exceeds \$1,000.

### Marokopa Community Centre

This rate is levied to recover the Council assistance provided for the development of the Marokopa Community Hall. It is a Targeted Uniform Annual Charge levied on every separately used or inhabited portion of a rating unit within the Marokopa Community Centre rating area.

### Te Kuiti Wastewater (Trade Waste Contribution)

A Trade Waste Contribution TUAC is levied on every rating unit in the district in recognition of the contribution made to the social and economic wellbeing of the District by the large industrial users of the Te Kuiti Wastewater Network. The rationale for use of this rate is contained in the Revenue and Financing Policy.

### Solid Waste Management

This Targeted Uniform Annual Charge rate is levied on rateable properties to part fund the Solid Waste Management activity which involves the management of recycling centres, transfer stations and the Waitomo District Landfill.

It also funds Waste Minimisation activities undertaken by Council. This charge is levied on every separately used or inhabited part of a rating unit.

### Solid Waste (Kerbside Refuse and Recycling Collection Service)

A Targeted Uniform Annual Charge is levied on rateable properties in every community where Council provides a kerbside collection and recycling service to fund the cost of the services.

Council operates kerbside refuse collection and recycling services in Te Kuiti, Piopio, Mokau (townships) and Waitomo (part of).

This charge is levied on every separately used or inhabited part of a rating unit.

## 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 Council in writing so it can be investigated.

## Rates Rebate Scheme

The Rates Rebate Scheme benefits ratepayers who are on low incomes and pay rates for the home in which they live.

The amount of rebate depends on a combination of your income, the amount of rates you are charged and the number of dependents you have.

The maximum rebate is \$580.00. If homeowners meet additional criteria, they can apply for the new rebate from 1 July 2011 for the 2011/12 rating year. The closing date for application is 30 June 2012.

## Rates Remission Policy

This Policy has been developed because Council would like to ensure that certain land use situations that fall outside of what is defined in the Local Government Rating Act are eligible for remissions.

The owner or occupier of the rating unit(s) now has the facility to access the rate remission arrangements by way of an annual application to Council.

**Applications must be in by 30 April 2012 for the 2011/2012 rating year.**

Remission can be sought under the headings as listed below.

- Remission of Penalties
- Remission of Rates for New Residential Subdivision

- Remission of UAGC and other targeted rates – where two or more rating units are held in common ownership
- Remissions 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 please refer to [www.waitomo.govt.nz](http://www.waitomo.govt.nz) or contact our Customer Services Centre and we will send you a paper copy.

Please be aware that all rates must be **paid by the due date** regardless of the status of your rates remission application.

## Penalty for overdue rates

All rates remaining unpaid at 5.00pm on the final day for payment will attract a 10% penalty. A further 10% penalty will be added on 1 July in each year to any unpaid rates from the previous year.

If you think you might be unable to pay your rates by the due dates please contact a member of our Customer Services Team to discuss how we might assist you with a solution.

## How to pay

WDC provides various options for paying your rates. Your choices are: Easy Pay, Direct Credit, Automatic payment, Cash, Cheque, Eftpos, Post dated cheques, Credit Card, Internet Banking or at the Council Office, Queen Street Te Kuiti.

## General Enquiries

For all rating enquiries phone our Customer Services Centre on (07) 878 0800 or Freephone 0800 932 4357.