

Your rates 2010-2011

Introduction

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.

A key affordability project was undertaken as part of the development of this year's budget. The project was a careful review of the Levels of Service provided through the roading network and funded by the Land Transport (Roading) Activity. The aim of the project was to reduce the spend in the Land Transport (Roading) Activity without compromising Financial Sustainability while at the same time supporting the drive to achieve Rates Affordability. That work has now been completed, with the biggest reduction of spend being on roads.

The question of how to best achieve rates affordability has been top of mind for Council. As an organisation, WDC has continued to strive to put its *'we're working harder to do it better'* focus into practical effect. Last year Council reviewed its rates information database (RID) to make sure that it was accurate and fairly reflected the rates liability for each of the properties in the Waitomo District. The goal was to ensure that the RID was as accurate as possible and as a result ensure that the rates liability was shared as fairly as possible.

That process was worked through and the associated rating policies applied for a full rating year (2009/10). Council has now further evaluated that work and explored the impacts of the rating policies. The outcome is that some small changes have been made to the existing policy which results in a reduction in rates for most Te Kuiti commercial and industrial properties for the 2010/11 financial year. The change recognises that those types of Te Kuiti properties

are not occupied or used on a 24/7 basis. The way Sewerage rates are applied to commercial and industrial properties has been modified to reflect that fact.

We have slowed the "catch up" of substituting rates funding for borrowing to fund the roads account. This year we will increase the catch up rate, by \$600,000 less than our original LTP forecast. We are increasing rates by only 4.4% compared to the 16.8% forecast in the LTP. This has been made possible by carrying out a careful review of our roads spending against the background of a contractual opportunity to vary the form of our roads maintenance contract. This variation, plus a recalculation of the amount rated for roads depreciation has enabled us to make a saving of \$800,000 in roads, our largest cost centre.

Refuse rates are reduced this year because of an increase in revenue from out of district refuse being processed through the Waitomo District Landfill. Recycling is well supported by residents in the Community; this is evident by the correct use of the new recycling containers provided to Households in late 2009 through the Kerbside Refuse and Recycling Service.

Progress on the major capital upgrade to the Te Kuiti Wastewater Treatment Plant is progressing at a slower rate than anticipated as we work through options with both of the trade waste providers and continue to seek financial assistance from Central Government to help meet the costs involved in the upgrade.

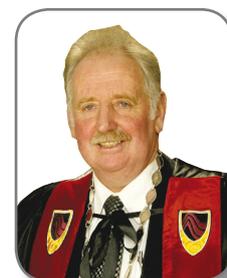
The Piopio Wastewater system upgrade is also delayed by an appeal against the resource consent granted to Council. This has placed the Council in the position of having to defend the community's position in the Environment Court. The delays in both towns have taken some pressure off the rates requirement. We now have a possible hearing for Piopio in the Environment Court on 13th September 2010.

The key message is that Council has done what it said it was going to do in the 2009-19 LTP and undertaken a Financial Sustainability and Rates Affordability review. The outcome of that review is an overall increase in rate income of 4.4% in the 2010/11 financial year as opposed to the 16.8% forecast by the 2009/19 LTP.

Rates Remission Policy

Council has changed its Rates Remission Policy (RRP) by introducing a new policy to accommodate situations where a ratepayer might be experiencing extreme financial hardship. The aim of this policy is to provide a means whereby Council can assist ratepayers who are experiencing extreme financial hardship, which may affect their ability to pay their property rates. Council will consider, on a case by case basis, applications received that meet the criteria and if the circumstances warrant that approach will, remit all or part of rates relating to a rating unit.

Another change is the Remission of Uniform Annual General Charge (UAGC) and other targeted rates, where two or more rating units are held in common ownership. In some situations Council believes the criteria provided for in Section 20(a) and (c) of the Local Government Rating Act does not assist ratepayers where such rateable land is used as part of a farm operation. A remission will be granted in respect of rateable property used for farming purposes where Council is satisfied its policy objective are met.



Mark Ammon
MAYOR

Your rates explained 2010-2011

Yet a further change was made to clarify the application date for remission of rates on qualifying Maori Freehold Land by removing the current requirement for any remission of rates application to be made "in the prior year".

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 2010	31 Aug 2010	1 Jul - 30 Sept 2010
2	1 Nov 2010	30 Nov 2010	1 Oct - 31 Dec 2010
3	1 Feb 2011	28 Feb 2011	1 Jan - 31 Mar 2011
4	1 May 2011	31 May 2011	1 Apr - 30 Jun 2011

Effect of change in GST Rate

GST will apply at the current rate of 12.5% to rates payable on rates invoices issued before 1 October 2010 and to any voluntary pre-payments of rates made prior to 1 October 2010. GST will apply at the increased rate of 15.0% to rates payable on invoices issued on or after 1 October 2010 and to all payments, including voluntary pre-payments of rates on or after 1 October 2010.

On this basis;

- If you pay your rates on an instalment basis as invoiced quarterly, GST included in the first rates instalment due for payment on the 31 August 2010 will be at 12.5% and for the remaining three instalments GST will be at 15.0%. The rate amounts excluding GST for each four instalments will be equal.
- If you voluntarily pay all your rates prior to 1 October 2010 your total rates will be invoiced with GST at 12.5%.

By way of example, assume the rates due for one rating unit is \$2,668 (including GST) at the prevailing rate. The following table shows the GST inclusive amounts due for each instalment, the GST rate and resulting GST payable amount for each instalment and the rates amount excluding GST.

Instalment	Amount	GST Rate	GST Amount	Rates Excl GST
1	656.07	12.5%	72.90	583.17
2	670.64	15.0%	87.47	583.17
3	670.64	15.0%	87.47	583.17
4	670.65	15.0%	87.48	583.17
Totals	2,668.00		335.32	2,332.68

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.

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	\$392
TK Sewerage Med Operating Hours	Equal to 40 hrs p/week	0.36	\$186
TK Sewerage Low Operating Hours	Less than 40 hrs p/week	0.20	\$103

*NOTE: Charge per pan is on a GST EXCLUSIVE basis.

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.

District Support for Services

Benneydale Water

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 \$1,300 per annum.

Benneydale Sewerage

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 \$900.

Te Waitere Sewerage

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 \$900.

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 Sewerage (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.

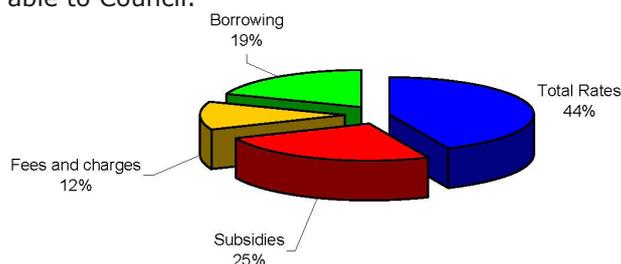
Solid Waste (Kerbside Refuse and Recycling Collection Service)

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 facts

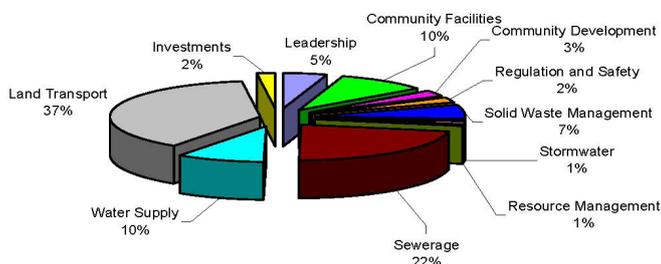
Revenue Sources

The graph below shows what percentage of the total income is obtained from the different sources available to Council.



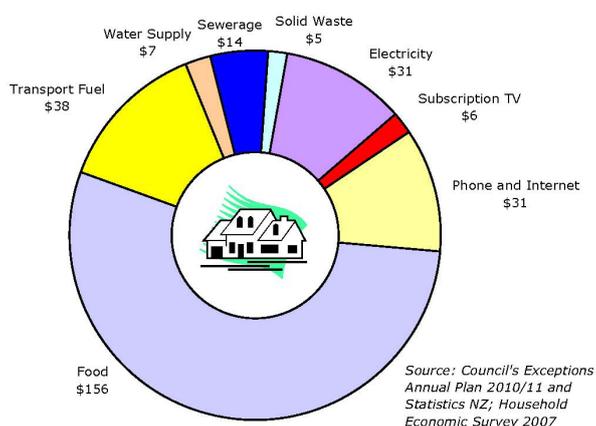
Expenditure Activities

The graph below shows what percentage of Council's total expenditure, is spent on each of its 11 significant activities. As seen in the graph, the major area of expenditure remains WDC's essential infrastructure, namely roading and sewerage services.



Comparison of selected weekly household costs

The graph below shows a comparison between selected weekly household costs and the cost of service charges.



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 \$570.00. If homeowners meet additional criteria, they can apply for the new rebate from 1 July 2010 for the 2010/11 rating year. The closing date for application is 30 June 2011.

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 2011 to apply to the 2010/2011 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 refer to www.waitomo.govt.nz or contact our Customer Services Centre 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.

Penalty for overdue rates

Any 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 will have problems paying 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

There are various options available to you, in order to make it efficient to pay your rates. Your choices are: Easy Pay, Direct Credit, Automatic payment, Cash, Cheque, Eftpos, Post dated cheques, Credit Card, 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**.