

Your rates invoice

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 \$550.00. If homeowners meet additional criteria, they can apply for the new rebate from 1 July 2009 for the 2009/10 rating year. The closing date for application is 30 June 2010.

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 2010 to apply to the 2009/2010 rating year. Note the different requirement for Maori Freehold Land applications. Remission can be sought under the headings as listed below.

- Remission of Penalties
 - Remission of Rates for New Residential Subdivision
 - Remission of UAGC – 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 – these applications must be made prior to commencement of the rating year and no later than 30 April each year.
- For a full copy of the Rates Remission Policy refer to 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.

Penalty for overdue rates

Any rates remaining unpaid at 5pm 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.

General Enquiries

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

www.waitomo.govt.nz

July 2009

Your rates 2009-2010



As you receive this first rates account, based on Waitomo District's new and sustainable 10 year plan, it is timely to reflect on the forward impact of the plan on rates and the District's options around that. For many in the rural area, rates have risen by more than 10%. This movement is mainly caused by Councils continuation toward increasing road rates to a point where annual road maintenance cost is paid from annual income. As unpalatable as rate rises are, we can't keep passing today's costs on to future ratepayers.

Catch up

The 10 year plan forecasts two more years of this "catch up" rating, a legacy imposed on us by the Council of 2001 – 2004. Since becoming Mayor my Councils have lifted rates each year for 5 years in the name of road funding "catch up". Had we closed the gap with one hit in the 2006 year, road rates would have gone from \$785 thousand to around \$3.5 million. Instead, we proposed increasing road rates to \$2.2 million, but in the face of significant protest, we backed off and doubled them to \$1.5 million. Since then, we have lifted road rates by:

- 2007: \$0.37m
- 2008: \$0.75m
- 2009: \$1.00m
- 2010: \$0.62m

The current road rates total is almost \$4.3 million. This compares similarly to the actual requirement in 2006 once it is adjusted for inflation. However since 2006 significantly more debt has been added to the roads account. Most of this debt relates to borrowings to fill the rates funding shortfall in the roads account each year. We still have two more years of "catch up".

Transparency

This year we have separated out the amount of rates required to achieve this "catch up". It shows on your rates invoice as "Land Transport Special Levy". There is another new line on your

rates invoice if you are a Te Kuiti ratepayer. This shows the extra amount you are paying for waste water disposal over and above your own residential costs. Council believes this part of wastewater costs should be paid by the major users of the Te Kuiti Wastewater System. The major users and Council are constructively engaged in addressing this area of subsidy. We have made this cost transparent on your invoice. It is called "Trade Waste Contribution – Te Kuiti". A drying up of investment income has also contributed to increasing rates, for urban and rural ratepayers.

Future options

There are only two for Waitomo District.

- 1) Pay our own way supported by current central government assistance (mainly connected with roads) and continue to pursue more central government assistance.
- 2) Combine with external ratepayers so they help pay our bills.

Option 2 probably has some appeal. However it is dependent on another group of ratepayers wanting to, or being forced to, help fund our costs. The risk is they counter our "hand in their pocket" by way of ring fencing our responsibilities so we still have to fund our costs. In that case, we lose our autonomy and gain little in the way of reduced rates.

In it together

Recent opinion as expressed in our local media suggests that if Council has financial challenges then it should not pass those onto ratepayers. In reality the Council is the democratically representative body of all the District's ratepayers. It provides or purchases, the services the District collectively expects and has shown a historical acceptance of. It does this in the most cost effective manner it can, if it is doing its job properly. The Council is not something ratepayers can connect to for benefits but can disconnect from, to avoid meeting the cost of those benefits.

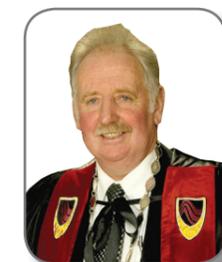
Our 10 year plan, adopted 30th June 2009, is the third long term plan produced by Waitomo District. It has been critically examined by the Auditor General and has gained a clear audit opinion as being financially sustainable. It is the first 10 year plan to stack up as financially prudent. Council is doing everything possible to minimise rates impact on ratepayers. The scale of these needs to be balanced against their cause, including elector choices of earlier elected representatives and the decisions they made.

In the three years from 2002, road debt increased 1800%. The cost of this was not passed on. Road rates were reduced by 63%, even though annual costs were climbing steeply. At that time ratepayers enjoyed the benefit of improved roads funded from debt. They enjoyed artificially depressed rates levels, albeit on an unsustainable basis.

The long term

The new 10 year plan, under-pinning this and future rates invoices, identifies the real issues for the District. It also identifies the answer to the challenge (in the context of "Waitomo incorporated", i.e., all of us).

On behalf of Waitomo District Council I thank you for the level of engagement you gave our future planning. I think most of you understand the situation clearly and share our goal of strengthening this proud, scenic and industrious District for the long term.



Mark Ammon
Mayor

Your rates explained 2009-2010

Rates Instalments

The Rates Invoice is payable over four payments, each being one quarter of the Rates payable for the year.

	Date	Due Date	Period Covered
1	1 Aug 2009	28 Aug 2009	1 Jul - 30 Sept 2009
2	1 Nov 2009	27 Nov 2009	1 Oct - 31 Dec 2009
3	1 Feb 2010	26 Feb 2010	1 Jan - 31 Mar 2010
4	1 May 2010	28 May 2010	1 Apr - 30 Jun 2010

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 reticulation 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.

Properties situated in Te Kuiti, Piopio, Benneydale or Mokau are defined as being extraordinary water users and are charged for the service the volume of water consumed. The charge is \$1.19 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

All non-residential properties in Te Kuiti are levied one base charge for up to three pans and one charge per pan for every pan over and above this threshold. The base charge is equivalent to the charge for a connected residential property in Te Kuiti. The charge per pan for non residential properties is 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	\$417
TK Sewerage Med Operating Hours	Equal to 40 hrs p/week	0.36	\$198
TK Sewerage Low Operating Hours	Less than 40 hrs p/week	0.20	\$110

Te Kuiti Sewerage (Trade Waste Contribution)

A new charging system for the disposal of Trade Waste has been applied to commercial customers in Te Kuiti. Council plans to fully implement this change in a phased manner over four years. That charging system will be a substantial increase, Council intends to continue with the contribution made by Te Kuiti Ratepayers towards the cost of disposing of Trade Waste throughout phase in period.

A Trade Waste Contribution TUAC will be levied in Te Kuiti on every separately used or inhabited part of a rating unit that is connected or has the ability to connect to the Council sewerage reticulation and disposal system to fund the temporary shortfall in contribution made by Trade Waste Users while Council increases Trade Waste Charges over time.

Solid Waste (Kerbside Refuse and Recycling Collection)

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

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 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.

Mokau Water

This Targeted Uniform Annual Charge (TUAC) is levied on every rating unit in the district to assist the Mokau 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)

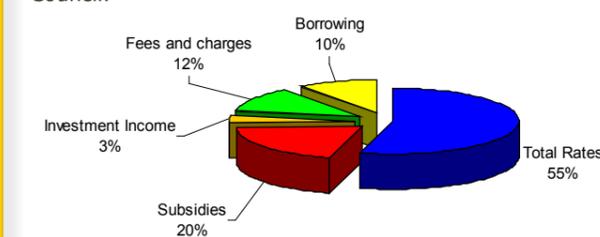
is levied on every rating unit in the district to assist the Te Waitere community meet the cost of the operation of their sewerage network. This assistance is provided to a community when the cost per connection to a property on an existing wastewater network exceeds \$900.

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.

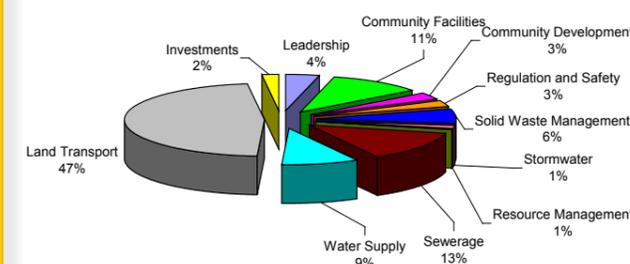
Revenue Sources

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



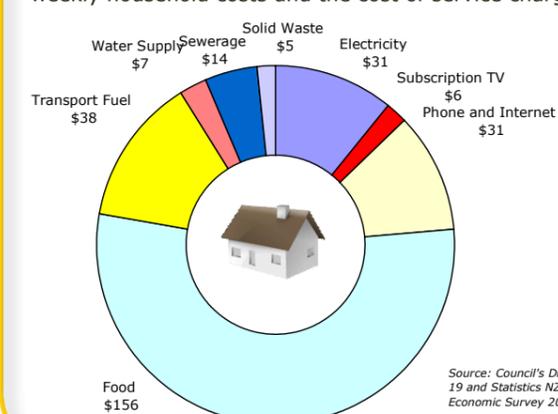
Expenditure Activities

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 water services.



Comparison of selected weekly household costs

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



Source: Council's Draft LTP 2009-19 and Statistics NZ Household Economic Survey 2007