

Consultation Document

The Annual Plan covers year two of the 2018 – 2028 Long Term Plan and is primarily in line with what was programmed in the Long Term Plan.

The purpose of the Annual Plan is to:

- Describe Council's activities and their associated costs and funding
- Provide a basis of accountability for Council to the Community
- Council decided as part of the annual plan preparation that it would provide residents and ratepayers with the opportunity to participate in decision-making processes on activities to be undertaken and the level to which these activities are provided

Rates for 2019/20

Council will charge the following rates on all rateable properties to which Council provides services:

General Rate

A general rate charged on the capital value of each property. This rate generates the funds necessary to provide many of the Council services.

In addition, Council also levies a uniform annual general charge (UAGC) per separately used or inhabited part of a rating unit. Council is decreasing the UAGC to \$600 for 2019/20 (\$850 in 2018/19).

Targeted Rates/Charges

Three targeted rates will be levied in 2019/20 as follows:

- Water Supply Service Charge - a uniform annual charge of \$61.30 on each separately used or inhabited part of a rating unit to which Council supplies water, except for properties on metered water supply. For metered properties there will be a charge of \$0.159 per cubic meter
- Wastewater Service Charge – a uniform annual charge of \$144.90 on each separately used or inhabited part of a rating unit that is connected to Council's wastewater disposal network.
- Refuse Collection Service Charge - a uniform annual charge of \$172.30 for 60L bins and \$232.30 for 120L bins on each separately used or inhabited part of a rating unit from which Council is prepared to remove refuse.

The following is a summary of the Council's rating requirements for 2019/20:

Rates	2019/20	2018/19	Difference	
	\$	\$	\$	%
General Rates	9,334,167	9,009,430	324,737	3.6
Targeted Rates <u>Uniform Annual Charges</u>):				
Water Supply*	178,100	173,920	4,180	2.4
Wastewater	359,590	348,320	11,270	3.2
Refuse Collection	417,730	409,960	7,770	1.9
Total Rates	\$10,289,587	\$9,941,630	\$347,957	3.5%

*includes water by Meter

Council set the following rate limits in its 2018 – 2028 Long Term Plan:

- Total rates will not exceed 88% of total budgeted revenue
- The total rate increase in any year will not exceed the underlying average rate of inflation (for Council costs) plus 2%.

The total rates increase for 2019/20 does not exceed either of these limits. Although the rates charged to individual properties will differ from the overall increase in rates.

Rate Remission

Council is increasing the rating cap for residential properties to \$3,930.00 (\$3,470 for 2018/19).

This increase is in line with Council's existing policy of increasing the rating cap by the overall increase in rates.

Residential properties with capital values of \$602,840 or higher will pay this amount for Council rates.

Also Council will continue to provide a rate remission for the two farm blocks of 55% so the rates charged to these farm blocks is comparable to the rates charged by neighbouring councils.

The objective of these remissions is to make the rates fair and reasonable for these properties.

Balanced Budget Requirement

The Local Government Act 2002 requires that Council's projected operating revenues are set at a level sufficient to meet projected operating expenses each year. However, Council can set projected operating revenue at a different level from that required under this constraint, if it believes it is financially prudent to do so.

Financial Information

The prospective financial information contained in this Plan is based on assumptions that the Council reasonably expected to occur as at 25 June 2019. Actual results are likely to vary from the information presented and these variations may be material.

Community Consultation

Council will undertake the following consultation with the community prior to the adoption of its Annual Plan for 2019/20:

- Adopt draft Annual Plan - Consultation Document – 26 March 2019
- Public Notice for Annual Plan Consultation Document – 1 April 2019
- Submission period – 1 April to 3 May 2019
- Heard submissions to Annual Plan – 14 May 2019

- Considered and determine submissions – 28 May 2019.

Adopted 2019/20 Annual Plan – 25 June 2019

Fees and Charges 2019/20

Council reviewed the fees and is proposing increases for the following activities:

- Dog Registration and Control fees
- Cemetery fees
- Refuse disposal fees
- Building Consent fees
- Resource consent fees (these are being separately consulted on with the community)

Council also considered whether to introduce pool user fees, however, analysis showed that there would need to be an increase to rates if user fees were introduced due to the additional resources needed to collect the fees

Council has generally not changed its fees for at least 10 years apart from the increase in GST (from 12.5% to 15%). So over that time any increase in costs were funded from rates.

The significant changes to the fees and charges are:

- Council is going to charge for dog registration \$35.00 for desexed dogs and \$70.00 for entire dogs. There will be no “approved” dog owner fees. Also Council is introducing a new seizure fee for dogs that are impounded
- The cemetery and burial fees will be increased by 20% which reflects the cost to do an interment
- Refuse disposal fees are being increased to make them comparable to what other councils are charging and also reflect the actual cost to dispose of the rubbish (These charges are still very reasonable and Council is confident they won’t result in greater fly tipping in the district)
- Building consent fees and charges have been amended based on the time taken to carry out the task. This will make it fairer for the person wanting a consent.

Indicative Rates for 2019/20

Council had initially planned for a rate increase of 6.4% for 2019/20, however, by increasing some fees and charges as well as using anticipated revenues Council has reduced the proposed overall rate increase to 3.5%, but individual properties will vary from this as a result of valuation changes and there being a mix of uniform rates and rates based on the property’s capital value.

The following table shows the indicative KDC rates for 2019/20 compared to the current year for a selection of properties:

Indicative Rates 2019/20

2015 Capital Values	2018 Capital Values	2018/19	Proposed Rates 2019/20	Increase in Rates	%	Cost per week 2018/19	Cost per week 2019/20
Residential							
\$11,000	\$29,000	\$1,317	\$1,120	-\$ 197	-14.9%	\$25	\$22
\$59,000	\$170,000	\$1,741	\$1,811	\$ 70	4.0%	\$33	\$35
\$82,000	\$210,000	\$1,943	\$2,007	\$ 63	3.2%	\$37	\$39
\$95,000	\$230,000	\$2,058	\$2,105	\$ 46	2.3%	\$40	\$40
\$120,000	\$285,000	\$2,279	\$2,374	\$ 95	4.2%	\$44	\$46
\$150,000	\$335,000	\$2,543	\$2,619	\$ 75	3.0%	\$49	\$50
\$170,000	\$370,000	\$2,720	\$2,790	\$ 70	2.6%	\$52	\$54
\$200,000	\$420,000	\$2,984	\$3,035	\$ 51	1.7%	\$57	\$58
\$240,000	\$490,000	\$3,337	\$3,378	\$ 40	1.2%	\$64	\$65
Commercial							
\$98,000	\$140,000	\$3,328	\$3,701	\$ 373	11.2%	\$64	\$71
\$140,000	\$175,000	\$4,304	\$4,425	\$ 121	2.8%	\$83	\$85
\$270,000	\$325,000	\$7,326	\$7,527	\$ 201	2.7%	\$141	\$145
\$700,000	\$850,000	\$17,322	\$18,383	\$ 1,062	6.1%	\$333	\$354
\$15,650,000	\$18,600,000	\$364,834	\$385,436	\$ 20,601	5.6%	\$7,016	\$7,412
\$26,500,000	\$29,400,000	\$617,043	\$608,769	-\$ 8,274	-1.3%	\$11,866	\$11,707
\$30,600,000	\$33,550,000	\$712,347	\$694,587	-\$ 17,761	-2.5%	\$13,699	\$13,357
\$110,000,000	\$120,500,000	\$2,504,537	\$2,492,626	-\$ 11,911	-0.5%	\$48,164	\$47,935

How much will my Rates be for 2019/20?

Rates Calculator

		(\$)
Write in your new Capital Value here (available from your revaluation notice or by going to www.kaweraudc.govt.nz and accessing 'Your Property')		
Uniform Annual General charge	(b)	600.00
Rating factor from Rates and Service Fees table (Residential or Commercial)	(c)	
Multiply the annual value by the rating factor	(d)=(a)x(c)	
Water Supply Rate	(e)	
Wastewater Disposal Rate	(f)	
Annual Refuse Collection Rate (small or large)	(g)	
Add all the different rate types together (this is the total projected rates for your property)	(h)=(b)+(d)+(e)+(f)+(g)	\$ _____

NB: If your property has separately used parts you will need to add additional UAGC (d), Water supply (e), Wastewater (f) and Refuse Collection (g) charges for each separately used part.

Rates and Service Fees

		(\$)		(\$)
Residential (c)	.004896	Wastewater Disposal Rate (f)	144.90	
Commercial (c)	.020679	Refuse Collection Rate (small) (g)	172.30	
Water Supply Rate (e)	61.30	Refuse Collection Rate (large) (g)	232.30	

Revaluation of district

Every three years there is a revaluation of the Kawerau District which takes account of the market movements that have occurred up to the revaluation date.

The latest valuation was as at September 2018 and these will be the values used to charge rates for 2019/20. The largest increases occurred in the residential values and council held a number of workshops to consider how to minimise the impact of these valuation changes as much as possible. One of the things that Council did is to reduce the Uniform Annual General Charge (UAGC) from \$850.00 to \$600.00 as this provided a more even spread of rates when compared to the previous year.

Residents can determine what their rates are likely to be by using the above table.
(NB These are KDC rates only)

If anyone has concerns or would like confirmation of what their rates will be, they can ring Council 306 9009

Issues for consultation

- Continuation of residential development (some detail what done and what intended for 2019/20)
- CBD Upgrade strategy