

## **8. Funding Impact Statement**

The purpose of the funding impact statement is to provide information about the income and funding streams we will use and an indication of the amount of funding we will generate from each stream.

Council will use a mix of revenue sources to meet operating expenses, with major sources being general rates, Land Transport subsidies and Fees and Charges.

Capital expenditure for new works will be funded from Loans and Developer Contributions, with capital renewals being funded from reserves set aside for this purpose.

Details of Council's expenditure and sources of funds are included on Page 143.

Council undertook a comprehensive rating review in 2008/09 and heard submissions on its proposed changes to rating structures in late 2008.

The following rating mechanisms are intended to be used in each of the years 2009/19.

## 2009/10 Rates Factors

The table below lists the rate factors for the 2009/10 year (1 July 2009 to 30 June 2010) that are proposed to be set by the Central Hawke's Bay District Council under the Local Government (Rating) Act 2002.

Key	Description	Differential	Rateable Basis	Factor **	Amount Sought GST inc \$
	<b>Non Targeted Rates</b>				
101	General	District	Capital Value	0.08881	\$3,477,693
103 107 106 112	District Land Transport	District	Land Value	0.23470	\$6,306,142
173	District UAC	UAC	Uniform Amount	\$280.000	\$1,722,840
	<b>Targeted Rates</b>				
172	Economic Development	Property Usage - District	Uniform Amount	\$79.901	\$28,125
109	Ward Loan	Waipawa Urban	Land Value	0.02758	\$10,703
174	Ward-based main street upgrade	Ruataniwha Ward	Uniform Amount	\$30.678	\$85,530
110 111 115	Refuse Collection	Service Available	Uniform Amount	\$3.218	\$12,005
169	Recycling Collection	Service Available	Uniform Amount	\$60.541	\$169,425
150	Water Supply Operations	Service Available	Uniform Amount *	\$436.505	\$1,725,941
151-157	Water Supply Loans	Service Available	Uniform Amount *	\$89.914	\$355,656
120	Sewerage Operations	Service Available - Connection(s)	Uniform Amount *	\$356.512	\$1,409,114
121-133	Sewerage - Loans	Service Available - Connection(s)	Uniform Amount *	\$134.500	\$531,276
165	Drainage	Te Aute	Factor		\$39,375
140	Stormwater Operations	Catchment Area	Capital Value	0.06798	\$385,630
141-142	Stormwater Loans	Catchment Area	Capital Value	0.02384	\$135,093
	<b>Total Sought</b>				<b>\$16,394,548</b>

\* includes half charges

\*\* Where no \$ sign shows, amounts are in cents

## Rates

The following rates are proposed to be set and assessed on a District-wide basis on all rateable property within the District for the years 2009/10 to 2011/19:

### 1. General Rate

A general rate set under section 13 of the Local Government (Rating) Act 2002 for the purposes of providing all or some of the cost of:

- All regulatory activities, including planning, resource and subdivision consent costs, building control, public health, animal control, emergency management, and bylaws, litter and parking
- Solid waste
- Parks and reserves, public toilets, theatres and halls, cemeteries, and miscellaneous property costs

For the 2009/10 year this rate will be 0.089 cents in the dollar (including GST) based on the rateable capital value of all rateable property within the District.

### 2. District Land Transport Rate

A rate for the Council's land transport facilities set under section 13 of the Local Government (Rating) Act 2002. This rate is set for the purpose of funding the operation and maintenance of the land transport system.

For the 2009/10 year this rate will be 0.235 cents in the dollar (including GST) based on the land value of all rateable land in the district.

### 3. Uniform Annual General Charge

A rate set under section 15 of the Local Government (Rating) Act 2002 on each separately used or inhabited part of a rating unit within the District. See definition on page 181. This rate is for the purpose of providing:

- Community leadership, including administration, cost of democracy, community voluntary support grants, and economic development
- A portion of the cost of solid waste
- Libraries and swimming facilities

For the 2009/10 year this rate will be \$280.00 (including GST).

## Targeted Rates

### Definitions:

"Ruatahiwha Urban" and Waipawa Urban are each defined by maps held by the Council.

"Non Residential" is defined by reference to land use codes in the valuation database, being every code other than "residential" or "lifestyle".

"Non Rural" is defined by reference to land use codes in the valuation database, being every code other than farming.

"Separately used or inhabited part of rating unit" – see page 181.

### 4. Water Supply Operations and Loans Rates

A differential targeted rate set under section 16 of the Local Government (Rating) Act 2002 for water supply operations of a fixed amount per separately used or inhabited part of a rating unit. The purpose of this rate is to fund water supplies for Otane, Takapau, Waipukurau, Waipawa, Kairakau, Pourerere, Poranghau and Te Paerahi.

- *Operations Rate*: The purpose of this rate is to fund the maintenance and operation of water supplies in those parts of the District where these systems are provided.
- *Loans rate*: The purpose of this rate is to fund capital upgrades of water supplies and treatment in those parts of the District where these systems are provided.

This rate is applied as follows:

- (a) a charge of per separately used or inhabited part of a rating unit for Otane, Takapau, Waipukurau, Waipawa, Kairakau, Porangahau, and Te Paerahi Beach connected.
- (b) a half charge per separately used or inhabited part of a rating unit which is serviceable for the above locations.

For this rate:

- "Connected" means a rating unit to which water is supplied.
- "Serviceable" means a rating unit to which water can be but is not supplied being a property situated within 100 metres of the water supply.

For the 2009/10 year these rates will be:

	Charge	Operations Rate ( incl GST)	Loan Rate ( incl GST)
a	Connected	\$436.51	\$89.91
b	Serviceable, not connected	\$218.25	\$44.96

A targeted rate under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied, as measured by cubic meter, over 300 cubic metres per year. This is applied to water users deemed 'Extraordinary' where payment of the Water Operations rate above entitles extraordinary users to the first 300 cubic metres of water without additional charge. The Volume of water used over 300 cubic metres per year is charged at the rate set out in Council's Fees and Charges Schedule.

## 5. Sewerage Operations and Loans Rates

Two differential targeted rates set under section 16 of the Local Government (Rating) Act 2002 for the Council's sewage disposal function of a fixed amount per separately used or inhabited part of a rating unit in relation to all land in the district to which the Council's sewage disposal service is provided or available.

- *Operations Rate*: The purpose of this rate is to fund the maintenance and operation of sewage collection, treatment and disposal systems in those parts of the District where these systems are provided.
- *Loans rate*: The purpose of this rate is to fund capital upgrades of sewage collection, treatment and disposal systems in those parts of the District where these systems are provided.

These rates are applied as follows:

- (a) a charge per rating unit connected.
- (b) a charge per water closet or urinal within the rating unit, after the first one.
- (c) a charge per rating unit which is serviceable.

For the purposes of these rates:

- "Connected" means the rating unit is connected to a public sewerage system;
- "Serviceable" means the rating unit is not connected to a public sewerage drain but is within 30 metres of such a drain;
- A rating unit used primarily as a residence for one household is treated as not having more than one water closet.

- For commercial accommodation providers, each subsequent water closet or urinal will be rated at 50% of the charge.

For the 2009/10 year these rates will be:

	Charge	Operations Rate (incl GST)	Loan Rate (incl GST)
a	First charge per rating unit connected	\$356.51	\$134.50
b	Additional charge per water closet	\$356.51	\$134.50
c	Serviceable, not connected	\$178.26	\$67.25
d	Additional charge per water closet – commercial accommodation provider	\$178.26	\$67.25

#### 6. Stormwater Operations and Loans Rates

Two targeted rates set under section 16 of the Local Government (Rating) Act 2002 for the purpose of funding operations and maintenance, plus improvements and loan charges on the stormwater drainage as follows:

- Operation rate - A uniform targeted rate on the capital value of all rateable land in the Waipukurau and Waipawa Stormwater Drainage Areas.  
For the 2009/10 year this rate will be 0.068 cents in the dollar (including GST);
- Loan rate - A uniform targeted rate on the capital value of all rateable land in the Waipukurau and Waipawa Stormwater Drainage Areas.  
For the 2009/10 year this rate will be 0.024 cents in the dollar (including GST).

The Waipukurau and Waipawa Stormwater Drainage Areas are defined by reference to stormwater drainage area plans held by the Council.

#### 7. Kerbside Recycling Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the Council's collection of household recyclables for Waipukurau and Waipawa on each separately used or inhabited part of a rating unit to which the Council is prepared to provide the service.

For the 2009/10 year this rate will be \$60.54 (including GST).

#### 8. Refuse Collection Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the collection of household and commercial refuse for Otane, Onga Onga, Takapau, Tikokino, Waipukurau, Waipawa, Porangahau, Te Paerahi, Blackhead Beach, Kairakau, Mangakuri, Aramoana and Pourerere Beach on each separately used or inhabited part of a rating unit to which the Council is prepared to provide the service.

For the 2009/10 year this rate will be \$3.22 (including GST).

#### 9. Economic Development Rate

A uniform targeted rate set under section 16 of the Local Government (Rating) Act 2002 to assist in the funding of Economic Development Activities within the district on each separately used or inhabited part of a rating unit that is Non Residential and Non Rural.

For the 2009/10 year this rate will be \$79.90 (including GST).

**10. Waipawa Ward Loans Rate**

A differential targeted rate set under section 16 of the Local Government (Rating) Act 2002 based on the land value within the Waipawa Urban ward for the purpose of paying historical loan charges that the Waipawa Ward of the District was responsible for, prior to local body amalgamation and the creation of the Central Hawke's Bay District on 1 November 1989.

For the 2009/10 year this rate will be 0.028 cents in the dollar (including GST).

**11. Ruataniwha Ward Rate for Waipukurau and Waipawa Mainstreet upgrades**

A uniform targeted rate on all rateable land in the Ruataniwha Ward Urban set under section 16 of the Local Government (Rating) Act 2002 for the purposes of funding the Main Street Waipukurau and Waipawa improvements undertaken between 2001 and 2005.

For the 2009/10 year this rate will be \$30.68 (including GST).

**12. Te Aute Drainage Rate**

Te Aute Drainage rates are set on all rateable area of all rateable property within the designated area subject to a graduated scale for the purpose of funding the operations, loan charges and the repayment of loans of the Te Aute Drainage Scheme Area. Each hectare of land in each property is classified according to the susceptibility of that hectare to flooding as follows:

A (100 points), B (80 points), C (15 points), F (3 points), and G (0 points).

The total number of points is 73614. The total amount of funding required each year determines how much each of these points are worth. In this way, the total amount required is apportioned on a pro rata basis using the weightings on each hectare.

The total amount of funding required for 2009/2010 is \$39,375.

The Te Aute drainage scheme area is defined by reference to the classification list establishing the graduated scale.

Valuation Number	Hectares in each classification				Total Points	Amount
	A (100pts)	B (80pts)	C (15pts)	F (3pts)		
1092000300	0	11.3	8.15	31.63	1121	\$599.61
1092000800	0	32.83	74.69	23.42	3817	\$2,041.65
1092000900	0	0	0.83	2.15	19	\$10.16
1092001001	77.96	16.65	11.94	17.95	9361	\$5,007.06
1092001100	78.22	0	25.28	101.17	8505	\$4,549.19
1092001200	0	2.88	18.35	18.86	562	\$300.61
1092001201	0	20.25	19.15	12.31	1944	\$1,039.82
1092001400	0	0	0	14.16	42	\$22.47
1092001600	0	0	0	10.12	30	\$16.05
1092001700	38.74	51.06	36.24	45.12	8638	\$4,620.33
1092002100	188.81	0	0	23.93	18953	\$10,137.67
1092002200	84.02	4.14	1.16	6.45	8770	\$4,690.94
1092002300	41.02	5.2	20.43	22.8	4893	\$2,617.19
1092002900	0	0	0	0.81	2	\$1.07
1092003400	0	0	8.02	6.6	140	\$74.88
1092005800	0	18.63	0	4.93	1505	\$805.00
1092006100	0	65.81	0	15.84	5312	\$2,841.31
<b>Total</b>	<b>508.77</b>	<b>228.75</b>	<b>224.24</b>	<b>358.25</b>	<b>73614</b>	<b>\$39,375.00</b>

### ***Separately Used or Inhabited Parts of a Rating Unit***

Definition – for the purposes of the Uniform Annual Charge and the targeted rates above, a separately used or inhabited part of a rating unit is defined as –

Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

Examples of separately used or inhabited parts of a rating unit include

- For residential rating units, each self contained household unit is considered a separately used or inhabited part. Each situation is assessed on its merits, but factors considered in determining whether an area is self contained would include the provision of independent facilities such as cooking/kitchen or bathroom, and its own separate entrance
- Residential properties, where a separate area is used for the purpose of operating a business, such as a medical or dental practice. The business area is considered a separately used or inhabited part.

These examples are not considered inclusive of all situations.

## Approach to Rating

Rates are levied under the Local Government (Rating) Act 2002 on all rateable rating units on the value of the land as supplied by Quotable Value New Zealand Limited. The last revaluation was carried out effective from 1 July 2006.

The objectives of the council's rating policy is to:

- spread the incidence of rates as fairly as possible
- be consistent in charging rates
- ensure all ratepayers pay their fair share for council services
- provide the income needed to meet the council's goals.

The Central Hawke's Bay District Council rating system provides for all user charges and other income to be taken into account first, with the rates providing the balance needed to meet the council's objectives.

### Rating Base

The rating base will be the database determined by the contracted rating service provider. Because this database is constantly changing due to change of ownership, subdivision, regular revaluations, change of status from rateable to non-rateable (and reverse), the rating base is not described in detail in this policy, but the policies following describe who will be rated.

### Rating Information Database and Rates Records

Councils rating information database and rates records are available for public inspection at the Council offices in Waipukurau and Waipawa during normal office hours (Monday – Friday 8.00am to 4:30pm).

### Due Dates for Rate Payments

Pursuant to Section 24 of the Local Government (Rating) Act 2002 the following dates are proposed to apply for assessing the amount of each instalment of rates for the year 1 July 2009 to 30 June 2010. Each instalment will be levied in four equal amounts, rounded.

Instalment number	Due date	Last day of payment without additional charge	Additional charges added
1	1 July 2009	19 August 2009	20 August 2009
2	7 October 2009	18 November 2009	19 November 2009
3	6 January 2010	17 February 2010	18 February 2010
4	7 April 2010	19 May 2010	20 May 2010

### Payment Options

Rate payments on instalments are to be received by Council no later than 4:30pm on the last day of payment detailed above. Payment options include:

- Cheque sent by Post.
- At Council Offices in Waipukurau or Waipawa (Hours Monday – Friday 8am to 4:30pm). We accept Cash, Cheque and Eftpos. Payment by Credit Cards can be made using the Council webpage: [www.chbdc.govt.nz](http://www.chbdc.govt.nz)
- Direct Debit (Form available from Rates Officers) Monthly or Quarterly.

- Automatic Payments (includes E-bill and Telephone Banking). Please include the valuation number of the property you are paying for in the reference section.

## ***Penalty Charges***

### **(Additional Charges on Unpaid Rates)**

Pursuant to Section 58(1)(a) of the Local Government (Rating) Act 2002, an additional charge of 10% will be added to all rates remaining unpaid for each instalment after the last day of payment, shown above.

Pursuant to Section 58(1)(b) of the Local Government (Rating) Act, a further additional charge of 10% will be added on 1 July 2010 to the amount of rates levied in previous financial years and remaining unpaid as at 30 June 2010 (Section 58(1)(b)).