

## Frequently Asked Questions about your rates for 2018/19

### 1. Why have my rates changed?

There are two main reasons:

- I. **Long Term Plan:** We have adopted a new Long Term Plan and budget for the next 10 years and we have to collect more rates to pay for the work we plan to do.
  - *Further explanation:* The Council's total General Rate requirement has gone up 6.4% and targeted rates for services such as water, wastewater and refuse have also gone up by varying amounts. The effect on your property depends on what type of property you own (residential, lifestyle, rural, commercial or industrial), your property value and the services you receive.
- II. **Property revaluation:** Properties in our district were revalued by Quotable Valuation NZ (QV) last year and the capital value of your property affects your General Rate.
  - *Further explanation:* While property values rose by an average of 33.7% last year, your General Rate does NOT change by the same amount. Revaluation simply acts like a see-saw – it shifts the balance in the way rates are distributed in our district. Like a see-saw, there is generally no change if you are in the middle, but if your property value moved higher or lower than the average, then this will serve to move your General Rate up or down accordingly. (Please note that targeted rates are not applied on the basis of property values.)

### 2. Please explain more about the Long Term Plan and why this affects rates?

A Long Term Plan is a 10-year budgeted plan that your Council puts together once every three years for all the work we do on your behalf.

- I. **General rates changes:** One of the big changes in the latest plan is that transport and roading costs will add an extra \$1.8 million to general rates from this financial year – and this will account for about half of the 6.24% increase in general rates.
  - *Further explanation:* Most of the extra money set aside for roading (\$1.1 million) is for emergency repairs. For example, the storms of March/April 2017 will cost \$2.58 million in permanent repairs, and we have to be ready for more storms in the future. We also have to be ready to take over the maintenance of nearly 100kms of old state highway when the Waikato Expressway is finished, and we're also putting more money into footpaths, among other things.
  - We are a growing district and that means we have more parks, more streetlights, more signage, and more facilities of all kinds – all of which are funded out of the general rate. As our population grows in the next 10 years there will be more ratepayers to cover this cost. After this year, 2018/19, general rate increases for subsequent years are expected to drop progressively, and by 2022/23 onwards are expected to be between 3.0 and 3.1%.
- II. **Targeted rates changes:** One of the big changes in targeted rates is that this year the targeted rate for wastewater will go up 13.9% - or nearly \$125. Future increases will then drop to 2% per year. This was agreed with ratepayers as a result of our Annual Plan

consultation last year. The extra money pays for our district-wide Continuous Improvement Programme which is designed to protect our sensitive environments from wastewater spillages.

- *Further information:* Other targeted rates are also rising to cover increasing costs. The district wide refuse targeted rate will increase by \$28.85 (22%) although sticker prices will remain at \$1.50. Other targeted rates are increasing by less than 5% each. Overall, if you look at the dollar amounts instead of the percentage increases, targeted rates in our main centres (with access to all our services) will go up in total by between \$140 and \$169 per year, and of that, nearly \$125 relates to wastewater charges .

### **3. Is the Council doing anything to try to keep rates down?**

Yes – two of the big things are:

- I. **We've reduced the UAGC by more than \$100 (from \$454.49 to \$351.96):** The Uniform Annual General Charge (UAGC) is the fixed charge component of general rates which helps pay for services that everyone in the district enjoys. It is a significant portion of the rates on lower-value properties. By reducing the UAGC this means a bigger portion of the general rate is based on property values, and this eases the rates burden on lower-value properties. We reduced the UAGC after consulting with you about it in our Long Term Plan.
- II. **We're changing how we manage our Waters services to save \$28.3 million over the next 10 years:** We're establishing a professional Council-appointed Waters Governance Board and negotiating a contract for supply from Watercare Services Ltd. Savings are forecast to total \$28.3 million or more over 10 years. This will help to keep our debt down and help to slow down rises in targeted waters rates over the years.
  - *Further information:* Our growing population is putting pressure on our water supplies as well as on our wastewater and stormwater infrastructure. The challenges in providing fit-for-purpose infrastructure and services at an affordable price include: significant capital investment requirements; anticipated tougher environmental, regulatory and public health standards following from the Havelock North drinking water inquiry; and market shortages of skilled staff. This is why we recommended the change that you agreed to during our Long Term Plan consultation.

### **4. What do my rates pay for?**

We have about 30,000 properties in the district on which rates are payable for maintaining 2,434kms of roads, 51 neighbourhood reserves, 43 sports parks, 12 skate parks, six libraries, three swimming pools, and for the planning, licensing and other services that the Council supplies. Our targeted rates also help cover assets like 31 water reservoirs, 10 water treatment plants, 34 community halls, as well as the refuse services that we supply.

### **5. Who pays targeted rates?**

You only pay targeted rates for localised services like wastewater and refuse collections if you own a property with access to these services.

## **6. I live rurally – what do I get for my rates?**

The general rate pays for services that are available to everyone in the district, even if you live further away. It covers the cost of roads, parks and reserves, libraries and so on. We understand roads are important for our rural residents and ratepayers. With the establishment of the Waikato District Alliance, our response rate to customer requests for roading work has dropped from an average of six days to less than two days. An example of how we work is the way we reinstated access on Otonga Valley Rd within 20 hours of a catastrophic collapse of a culvert under the road in November 2016, isolating 28 residents. We arranged additional resources, including transportation to get children to school to sit national exams, as we worked to restore access.

## **6. I'm going to have trouble paying my rates. Is there any relief?**

The Government has a rates rebates scheme to benefit home owners who have low incomes - we can send you a form or you can find the information on our website. We also have a rates remission and postponement policy to assist ratepayers suffering temporary financial hardship. See our website at [www.waikatodistrict.govt.nz/rates](http://www.waikatodistrict.govt.nz/rates)

## **7. Who can I talk to about my rates?**

Talk to your Ward Councillor. Contact details for all Councillors are on our website.

You can also contact Council staff on:

- Freephone: 0800 492 452
- Facebook: [www.facebook.com/WaikatoDistrictCouncil/](http://www.facebook.com/WaikatoDistrictCouncil/)
- Email: [rates@waidc.govt.nz](mailto:rates@waidc.govt.nz)