

FUNDING IMPACT STATEMENT

INTRODUCTION

The Local Government Act 2002 requires the Council to prepare a Funding Impact Statement disclosing the revenue and financing mechanisms it intends to use to meet the costs for the 2011/12 year. The information in the following sections is intended to achieve compliance with this legislation by giving ratepayers full details of how rates are calculated.

This statement should be read in conjunction with Council's Revenue and Financing Policy in Volume Two of the LTCCP 2009-19 which sets out the funding philosophy and tools identifying who pays for the Council's activities and how these will be funded.

The specific fees and charges used to recover costs of providing some Council services are outlined in the separate Fees and Charges Schedule 2011/12.

SEPARATELY USED OR INHABITED PARTS OF A RATING UNIT (SUIP)

Through the Annual Plan 2010/11 the Council proposed a staggered implementation of a SUIPs rating system. This included the implementation of SUIPs for commercial properties in the 2010/11 rating year, with residential and rural properties in the 2011/12 rating year. Through the development of this Annual Plan, the Council resolved not to introduce rural and residential SUIPs as part of its rating mechanism for 2011/12. More detail about this decision can be found in the Key Issues chapter.

Definition of SUIPs

"Separately used or inhabited part" includes any part of a rating unit separately occupied by the owner or any other person who has the right to occupy that part by virtue of a tenancy, lease, licence or other agreement.

The Council further defines Commercial, rating units as follows:

For a commercial rating unit, a SUIP is a building or part of a building that is, or intended to be, or is able to be, separately tenanted, leased or subleased for commercial purposes.

In a commercial/industrial situation a separately useable or habitable part will be classified where the property has been set-up to accommodate, or is accommodating, separate lessees, tenants, or the like, operating separate businesses from the same rating unit. Separate units made available for the travelling public are not considered to be separately used for the purposes of a rating unit unless they are made available for term (more than six months) rental.

Note: All figures in the Funding Impact Statement are GST exclusive

GENERAL RATES

General Rates consist of a rate in the dollar charged on capital value and a Uniform Annual General Charge (UAGC), which is a flat amount levied on each rating unit. The size of the UAGC is set each year by the Council and is used as a levelling tool in the collection of General Rates. If the UAGC were set at zero, the effect would be to increase the amount of General Rates assessed on capital value, which would increase the share levied on properties with higher capital values and to decrease the share levied on lower capital values. In setting the level of the UAGC, the Council considered the following issues:

- The impact of a high UAGC on those with low incomes and relatively low property values.
- The impact of a low UAGC on the relative share of rates levied on large rural properties.
- Fairness and equity and the social consequences of an unfair distribution of rates.

PAYMENTS

All rates shall be payable at the Whakatane District Council, Civic Centre, Commerce Street, Whakatane, or Murupara Service Centre, Pine Drive, Murupara. The payment facilities available at the Council offices include cash, cheque or EFTPOS. There is no credit card facility available at present. Alternatively, the Council offers the option of paying rates by direct debit, on a monthly, quarterly, or annual basis. Rates can also be paid by phone/internet banking, and automatic payments. Please contact customer services on 07 306 0500 or 0800 306 0500 for further information or refer to www.whakatane.govt.nz

Discount for prompt payments

The Council sets a discount on an annual basis for ratepayers who pay the total rates levied on the rates assessment by the due date for the first instalment. The discount rate for 2011/12 is 2.5%.

Due dates for rates and water instalments can be found on the following page.

INSTALMENT DUE DATES

Rates

There will be four equal instalments for the 2011/2012 rates and the due dates are as follows:

Instalment	Due Date
Instalment 1	Friday 26 August 2011
Instalment 2	Friday 25 November 2011
Instalment 3	Friday 24 February 2012
Instalment 4	Friday 25 May 2012

A 10% instalment penalty will apply if any of these rates remain outstanding after each of the above instalment due dates. A further 10% additional charge will be added on 1 October 2012 to any rates that were set prior to 1 July 2012 and which are unpaid at 1 July 2012 and remain unpaid at 30 September 2012.

Water rates

The following are the due dates for water invoices:

Period	Billing Period	Due Date
1	1st reading	Friday 21 October 2011
2	2nd reading	Friday 20 January 2012
3	3rd reading	Friday 20 April 2012
4	4th reading	Friday 20 July 2012

A 10% penalty will apply if any water rates remain outstanding after each of the above water rates due dates.

PERCENTAGE OF RATES THAT ARE FIXED CHARGES

Under the Local Government Rating Act (LGRA) the Council may only set a maximum of 30% of the total rates income to come from fixed rates such as targeted rates or uniform charges. The following table shows an analysis of these charges and shows the percentage of the Council's total rates.

Report on 30% Cap Section 21 LGRA	\$ Ex GST	
Targeted rates that are set on a uniform basis and are calculated in accordance with section 18(2) or clause 7 of Schedule 3		
UAGC	173.91	2,526,738
Roading	44.44	660,201
Refuse Disposal	68.19	990,660
Community Boards		414,850
District Parks		2,888,613
Stormwater		364,443
Promotion		235,476
Catchment Rates Disaster Mitigation		567,315
		8,648,296
	Total Rates Excluding GST	34,699,884
	Percentage	24.92%
Targeted rates that are set on differential uniform basis not included in the 30% cap		
Refuse Collection		3,199,247
Swimming Pool		1,202,929
Library		1,692,746
		6,094,922

FUNDING IMPACT STATEMENT TABLE

Note: All figures in this table are GST exclusive.

GST will apply at the current rate of 15%.

		2011/12 \$		
General Rates		8,319,281		
The Council sets a general rate on the capital value of each applicable rating unit in the District.				
District Rateable properties (cents per \$)	0.00079946	5,792,543		
Uniform Annual General Charge on all rating units in the District	173.91	2,526,738		
Roading Rates		6,898,578		
The Council sets the roading rate on the capital value of each applicable rating unit in the District (cents per \$)				
	0.00086139	6,238,377		
Uniform Annual Charge on all rating units in the District	44.44	660,201		
Community Boards		414,850		
The Community Board rate is set to fund the costs of the five Community Boards.				
The Council sets a Community Board targeted rate on rating units within each of the following areas (locations):				
	Rate \$	Total \$		
Whakatane	24.47	151,373		
Rangitaiki	22.53	90,606		
Ohope	39.94	73,694		
Taneatua	38.33	46,535		
Murupara	41.65	52,642		
Waste Disposal		990,660		
	UAC \$	Total \$		
Uniform Annual Charge on all rating units in the District	68.19	990,660		
Stormwater		1,457,770		
The Council sets a targeted rate rating unit for stormwater on rating units and a rate on the capital value differentially as follows:				
	Differential	UAC \$	cents per \$	Total \$
Whakatane Urban	1.0	46.60	0.00030162	821,040
Whakatane Commercial and Industrial	2.2	46.60	0.00066356	320,568
Matata	1.0	62.07	0.00072644	78,954
Ohope	1.0	16.68	0.00009054	123,108
Edgecumbe	1.0	30.64	0.00026093	78,058
Taneatua	1.0	8.34	0.00020287	8,937
Murupara	1.0	4.75	0.00022897	14,070
Te Mahoe Land Drainage	1.0	33.49	0.00120382	3,215
Te Teko Land Drainage	1.0	19.03	0.00071798	9,820

	2011/12
	\$

Library	1,692,746
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The Council sets a library rate based on a fixed charged per rating unit, with a differential relating to the ability of the community to have accessibility to libraries as follows:

	Differential	
Whakatane	1.000	158.54
Ohope	1.000	158.54
Edgecumbe	0.700	110.97
Taneatua	0.350	55.49
Murupara	0.700	110.97
Te Urewera	0.175	27.74
Rural	0.350	55.49

District Wide Parks Rates	2,888,613
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The Council sets a targeted district-wide parks rate except for properties within the Te Urewera area to fund the net cost of the parks, gardens and recreation activities. This targeted rate is set as a fixed amount per rating unit. 199.72

The Council sets a targeted parks rate for properties within the Te Urewera area to fund the net cost of the parks, gardens and recreation activities. This targeted rate is set as a fixed amount per rating unit. 99.86

Swimming Pool	1,202,929
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The Council sets a Swimming Pool rate based on a fixed charge per rating unit, with a differential relating to the ability of the community to have accessibility to swimming pools as follows:

	Differential	Rate \$
Whakatane	1.00	105.87
Ohope	1.00	105.87
Edgecumbe	0.50	52.94
Taneatua	0.50	52.94
Murupara	1.00	81.27
Murupara Rural	0.50	40.64
Te Urewera	0.25	20.32
Rural	0.50	52.94

Promotion and Economic Development Rate	385,476
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This rate is set as a targeted rate of a fixed amount per rating unit for all commercial and industrial properties within the district 256.23

Council sets a targeted rate on the capital value for all commercial and industrial properties within the Whakatane urban area (cents per \$) 0.0003334

Refuse Removal Rate	3,199,247
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The Council sets a targeted rate to fund the collection and disposal of the Council approved refuse/recycling bins. This targeted rate is set as a fixed amount per bin for which the Council is providing a weekly service.

Residential Properties	261.88
Rural/Commercial Properties	197.92
Residential Ohope	264.62
Commercial Ohope	200.46

The Council provides an additional three collections during the summer holiday period for Ohope.

	2011/12
	\$

Catchment Rates Disaster Mitigation	567,315
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The Council sets a Disaster Mitigation rate as a targeted rate on rating units as follows:

	Rate \$
Uniform Annual Charge on all rating units in the District	18.58
Otarawairere/Cliff/Brown Roads drainage/improvements	454.92
Matata	311.83
Whakatane	9.33
Edgecumbe	94.46
Ohope	28.80

Water	4,726,378
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These rates are set on a differential basis based on provision of service, land use and location.

Connected - any rating unit that is connected directly or indirectly to a Council operated waterworks.

Availability - any rating unit that is not connected to a Council operated waterworks but is within 100 metres of such waterworks.

	\$ Charge	\$	Total \$
Whakatane & Ohope			3,113,374
Connected - non metered	424.22	11,454	
Availability - not connected	143.24	73,770	
Connected - metered	143.24	1,167,713	
Water by meter July to November and March to June, per cube	1.02		
Water by meter commencing on or around 1 December for a three month period, per cube	2.04	1,860,437	
Edgecumbe			231,910
Connected - non metered	330.35	209,771	
Availability - not connected	134.64	3,904	
Connected - metered	134.64	3,366	
Water by meter	0.89	14,869	
Matata			138,275
Connected - non metered	439.21	111,559	
Availability - not connected	158.94	10,967	
Connected - metered	158.94	3,973	
Water by meter	1.27	11,776	
Taneatua			155,063
Connected - non metered	507.56	125,875	
Availability - not connected	202.83	5,882	
Connected - metered	202.83	3,854	
Metered special	283.96	1,988	
Water by meter	1.39	12,181	
Water by meter special	2.47	5,283	

2011/12
\$

Water Cont.

	Per Connection \$	Rate \$	Total \$
Murupara			140,788
Connected - non metered	163.29	112,997	
Availability - not connected	67.77	6,845	
Connected - metered	67.77	2,575	
Water by meter	0.43	18,371	
Ruatoki			81,142
Connected - metered	88.20	29,282	
Availability - not connected	88.20	3,175	
Water by meter	0.76	48,685	
Waimana			15,260
Connected - metered	197.33	10,261	
Availability - not connected	197.33	1,184	
Water by meter	0.89	3,815	
Te Mahoe			14,617
Connected	487.23	14,617	
Ruatahuna			906
Connected	69.69	558	
Connected - commercial	174.23	348	
Plains*			835,043
Connected - metered	115.56	156,116	
Water by meter	.026	224,008	
Excess water by meter	0.8889	268,000	
Awakeri Extn*			
Connected - metered	168.89	63,502	
Water by meter	0.37	73,381	
Excess water by meter	0.8889	50,036	

* The Council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each property connection to these water supplies. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement.

Note: Where properties meet the definition of being contiguous either under legislation or Council Policy, the entitlements for such properties will be aggregated prior to an imposition of the overuse penalty.

	2011/12 \$
Sewerage	1,956,041

These rates are set on land use and provision of service. Land use is residential or commercial/ industrial. Commercial/ industrial is classed as any property for which the principal undertaking is any commercial/industrial activity or zoned commercial/industrial. Rural is defined as all rural zoned land except commercial and industrial properties as defined above.

The different categories of service are:

- Connected - any rating unit that is connected directly or indirectly to a public sewerage drain.
- Available - any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain.

	Rate \$	Total \$
Whakatane Sewerage		947,891
Connected or per pan for commercial/industrial	120.18	
Availability - not connected	60.09	
Ohope Sewerage		532,188
Connected or per pan for commercial/industrial	266.69	
Availability - not connected	133.35	
Edgecumbe Sewerage		310,682
Connected or per pan for commercial/industrial	373.64	
Availability - not connected	186.82	
Taneatua Sewerage		63,763
Connected	209.06	
Availability - not connected	104.53	
Murupara Sewerage		94,932
Connected or per pan for commercial/industrial	116.20	
Availability - not connected	58.10	
Te Mahoe Sewerage		6,585
Connected	227.07	
Availability - not connected		

Rating units are defined as:

The **General Uniform Annual Charge**, **Roading Uniform Charge** and **Promotion and Economic Development Uniform Annual Charge** are set per separately used inhabited part of a rating unit of all commercial and industrial properties within the district.

Commercial and industrial is defined as any property zoned or used for commercial / industrial purposes.

Rural is defined as all rural zoned land except commercial and industrial properties as defined above.