

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 2010/11 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 2009-19 LTCCP 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 for the 2010/11 year.

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.

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

The Council are proposing to progressively implement a rating system using SUIPs over a two year period from 2010/11 to 2011/12. The proposal applies SUIPs to commercial properties in the 2010/11 rating year, with residential and rural properties in the 2011/12 rating year.

Once implemented, commercial, residential and rural properties will be charged the UAGC and roading UAC, and commercial properties will also be charged the promotion and development rate in the SUIP calculation.

INSTALMENT DUE DATES

Rates

There will be four equal instalments for the 2010/2011 rates and the due dates are as follows:

Instalment	Billing Period	Due Date
Instalment 1	01/07/10 - 30/09/10	Friday 20 August 2010
Instalment 2	01/10/10 - 31/12/10	Friday 26 November 2010
Instalment 3	01/01/11 - 31/03/11	Friday 25 February 2011
Instalment 4	01/04/11 - 30/06/11	Friday 20 May 2011

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 2011 to any rates that were set prior to 1 July 2010 and which are unpaid at 1 July 2011 and remain unpaid at 30 September 2011

WATER RATES

The following are the due dates for water invoices:

Period	Billing Period	Due Date
1	1st reading	Friday 22 October 2010
2	2nd reading	Friday 21 January 2011
3	3rd reading	Thursday 21 April 2011
4	4th reading	Friday 22 July 2011

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

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 2010/2011 is 2.5%.

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	244.44	3,634,400
Roading	44.44	660,800
Refuse Disposal	18.67	727,000
Community Boards		404,450
District Parks		2,583,584
Rapid numbering		124,000
Stormwater		326,328
Promotion		127,227
Catchment Rates Disaster Mitigation		656,232

Targeted rates that are set on differential uniform basis

Refuse Collection	3,626,154
Swimming Pool	951,230
Library	1,453,287

6,030,671

9,244,021

Total Rates Excluding GST 32,142,812

Percentage 28.76%

FUNDING IMPACT STATEMENT TABLE

Note: All figures in this table are GST exclusive.

GST will apply at the current rate of 12.5% to rates payable on invoices issued before 1 October 2010, and to any payments of rates made prior to 1 October 2010 for the 2010/2011 rating year. GST will apply at the increased rate of 15% to rates payable on invoices issued on or after 1 October 2010.

		2010/11 \$		
General Rates		\$7,263,377		
The Council sets a general rate on the capital value of each applicable rating unit in the District.				
District Rateable properties (cents per \$)	0.00047575	3,628,977		
Uniform Annual General Charge on all rating units in the District.	244.44	3,634,400		
Roading Rates		\$6,927,930		
The Council sets the roading rate on the capital value of each applicable rating unit in the District. (cents per \$)				
	0.00082161	6,267,130		
Uniform Annual Charge on all rating units in the District.	44.44	660,800		
Community Boards		\$404,450		
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	29.08	179,304		
Edgecumbe-Tarawera	24.70	99,301		
Ohope	31.82	58,649		
Taneatua	25.05	30,710		
Murupara	28.89	36,486		
Waste Disposal		\$727,000		
	UAC \$	Total \$		
Uniform Annual Charge on all rating units in the District.	50.05	727,000		
Stormwater		\$1,305,312		
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	45.32	0.00028025	940,884
Whakatane Commercial and industrial	2.2	45.32	0.00061656	304,302
Matata	1.0	15.89	0.00015962	23,238
Ohope	1.0	13.50	0.00006389	111,961
Edgecumbe	1.0	21.78	0.00018055	62,236
Taneatua	1.0	6.43	0.00017573	7,758
Murupara	1.0	1.61	0.00007613	5,358
Te Mahoe Land Drainage	1.0	33.46	0.00119081	3,614
Te Teko Land Drainage	1.0	15.97	0.00061929	9,125

	2010/11
	\$

Library	1,453,287
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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	Rate \$
Whakatane	1.000	136.33
Ohope	1.000	136.33
Edgecumbe	0.700	95.43
Taneatua	0.350	47.72
Murupara	0.700	95.43
Te Urewera	0.175	23.86
Rural	0.350	47.72

District Wide Parks Rates	2,583,584
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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. 178.77

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. 89.38

Rapid Numbers for Rural Properties	124,000
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The Council sets a targeted rate for all rural properties with in the District. This targeted rate is set as a fixed amount per rating unit. 24.32

Swimming Pool	951,230
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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	83.13
Ohope	1.00	83.13
Edgecumbe	0.50	41.56
Taneatua	0.50	41.56
Murupara	1.00	77.87
Murupara Rural	0.50	38.93
Te Urewera	0.25	19.47
Rural	0.50	41.56

	2010/11
	\$

Promotion and Economic Development Rate	277,227
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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	134.92
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Council sets a targeted rate on the capital value for all commercial and industrial properties within the Whakatane urban area (cents per)	0.00032706
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Refuse Removal Rate	3,626,154
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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 separately used or inhabited part of a rating unit for which the Council is providing a weekly service

Urban Properties	288.66
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Rural/Commercial Properties	249.65
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Catchment Rates Disaster Mitigation	656,232
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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.	26.71

Otarawairere/Cliff/Brown Drainage	68.48
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Otarawairere/Cliff/Brown Improvements	427.03
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	495.51
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Matata	208.14
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Whakatane	5.85
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Edgecumbe	121.95
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Ohope	38.59
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Water	4,045,264
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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.

	Per Connection \$	Rate \$	Total \$
Whakatane & Ohope			\$2,486,687
Connected - non metered	315.89	8,845	
Availability - not connected	114.71	60,454	
Connected - metered	114.71	931,009	
Water by meter July to November and March to June per cube	0.73		
Water by meter period of December, January February (3rd reading) per cube	1.46	1,486,379	
Edgecumbe			\$149,566
Connected - non metered	\$210.70	\$134,003	
Availability - not connected	\$86.70	\$2,514	
Connected - metered	\$86.70	\$2,168	
Water by meter	\$0.56	\$10,881	

			2010/11 \$
Water cont ...			
	Per Connection \$	Rate \$	Total \$
Matata			131,542
Connected - non metered	417.35	106,425	
Availability - not connected	146.56	11,579	
Connected - metered	146.56	3,664	
Water by meter	1.23	9,875	
Taneatua			129,123
Connected - non metered	420.51	104,286	
Availability - not connected	168.90	5,067	
Connected - metered	168.90	3,040	
Metered special	236.46	1,655	
Water by meter	1.14	10,712	
Water by meter special	2.04	4,362	
Murupara			136,195
Connected - non metered	154.74	107,235	
Availability - not connected	65.40	6,605	
Connected - metered	65.40	2,551	
Water by meter	0.41	19,804	
Ruatoki			113,202
Connected - metered	123.05	108,649	
Availability - not connected	123.05	4,553	
Water by meter	0.93	-	
Waimana			29,310
Connected - metered	377.78	25,157	
Availability - not connected	377.78	2,267	
Water by meter	0.48	1,886	
Te Mahoe			13,229
Connected	440.97	13,229	
Ruatahuna			1,042
Connected	37.21	298	
Connected - Commercial	93.04	744	
Plains*			855,368
Connected - metered	115.56	154,382	
Water by meter	0.2489	257,458	
Excess water by meter	0.8889	268,000	
Awakeri Extn*			
Connected - metered	168.89	60,631	
Water by meter	0.3644	62,315	
Excess water by meter	0.8889		

* 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.

	2010/11 \$
Sewerage	1,793,165

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		931,071
Connected or per pan for commercial/industrial	118	
Availability - not connected	59	
Ohope Sewerage		488,137
Connected or per pan for commercial/industrial	245	
Availability - not connected	122	
Edgecumbe Sewerage		235,626
Connected or per pan for commercial/industrial	283	
Availability - not connected	141	
Taneatua Sewerage		67,826
Connected	221	
Availability - not connected	110	
Commercial/industrial connection	221	
Murupara Sewerage		57,887
Connected or per pan for commercial/industrial	71	
Availability - not connected	35	
Te Mahoe Sewerage		12,618
Connected	435	
Availability - not connected		

Rating units are defined as

For the **General Uniform Annual Charge** and **Roading Uniform Charge** is set per separately used in 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.