

Rates Resolution for the Period 1 July 2025 and Ending 30 June 2026



To: **WHAKATĀNE DISTRICT COUNCIL**

Date: **THURSDAY, 26 JUNE 2025**

Author: **B GRAY / GM FINANCE & COMMERCIAL SERVICES**

Authoriser: **S PERDIA / CHIEF EXECUTIVE**

Reference: **A2892172**

1 Reason for the report - *Te Take mō tēnei rīpoata*

The reason for the report is for the Council to resolve the rates set and assessed for the period commencing 1 July 2025 and ending on 30 June 2026.

2 Recommendations - *Tohutohu akiaki*

1. THAT the Rates Resolution for the Period Commencing 1 July 2025 and ending 30 June 2026 report be **received**; and
2. THAT the Whakatāne District Council **sets** the rates set out as follows in sections 4.1 to 4.9 of this report, under the Local Government (Rating) Act 2002, on rating units in the District for the financial year commencing on 1 July 2025 and ending on 30 June 2026, based on the Annual Plan rating requirement within the funding impact statement of a 11.7% net of growth increase to the rates requirement in comparison with the 2024-34 Long Term Plan (12.7% net of growth); and
3. THAT the Whakatāne District Council **sets** the due dates for the payment of the rates and the penalties for unpaid rates as set out in sections 4.10, 4.11 and 4.12 of the report; and
4. THAT the Whakatāne District Council **sets** the discount for prompt payment as set out in section 4.13 of the report.

3 Background - *He tirohanga whakamuri*

3.1 Setting of Rates for 2025/26 Financial Year

Section 23 of the Local Government (Rating) Act 2002 requires the Council to resolve the rates annually. Before the Council resolves to set rates for 2025/26 it must have adopted the Annual Plan, including the Funding Impact Statements for 2025/26.

The resolution provides for the setting and assessment of these rates.

The Annual Plan 2025/26 is set to be adopted on 26 June 2025.

4 Discussion - Kōreroreo

The Rates Resolution is prepared on a GST exclusive basis. The rates assessments issued will report the rates as GST exclusive with GST added to the total rates assessed on the ratepayer.

All figures in this report are GST exclusive.

4.1 General Rates (Budgeted Revenue \$36,816,295)

The Council sets a general rate based on the capital value of each applicable rating unit in the district on a stepped differential basis.

For properties valued over \$30 million the portion of the property valued under \$30 million will attract the first step. For any portion of the property valued over \$30 million, step two will apply.

The rates (per dollar of capital value) for 2025/26 are:

	Category	\$ per CV Dollar
Step 1	District wide rateable residential properties capital value up to \$30 million	0.00151886
	District wide rateable commercial properties capital value up to \$30 million	0.00151886
	District wide rateable industrial properties capital value up to \$30 million	0.00151886
	District wide rateable rural and horticultural properties capital value up to \$30 million	0.00151886
Step 2	District wide rateable properties capital value portion greater than \$30 million	0.00113915

In addition to the above Council sets a Uniform Annual General Charge on all applicable rating units in the district as a fixed amount per rating unit. In the 2025/26 year this charge is **\$807.85** per rating unit.

4.2 District Growth Rates (Budgeted Revenue \$1,475,679)

The District Growth rates fund a portion of Economic Development and Events & Tourism activities (including Marketing) Council sets a fixed targeted rate per rating unit for all commercial and industrial rating units within the District.

Category	Differential	\$ per CV Dollar
Commercial and Industrial properties within the Whakatāne residential area	2.0	0.00136327
Commercial and Industrial properties outside the Whakatāne residential area	1.0	0.00068163

In addition, Council sets a targeted rate of a fixed amount of **\$606.78** per rating unit for all commercial and industrial properties within the district.

4.3 Epic Targeted Rate (Budgeted Revenue \$84,132)

Council sets a targeted rate for the budgeted revenue to be allocated to EPIC (Events Promotions Initiatives Community). The rate is based on the capital value of the rateable units identified as the Whakatāne Central Business District in the Whakatāne District Plan.

Land Liable	\$ per CV Dollar
Rateable units identified as the Whakatāne Central Business District in the Whakatāne District Plan	0.00060408

4.4 Democracy - Community Board Rates (Budgeted Revenue \$435,619)

The Community Board rates are set to fund the costs of the four Community Boards which are recorded as part of the Democracy activity group.

The Council sets a Community Board targeted rate as a fixed amount per rating unit on rating units within each of the following locations:

Targeted Rate	\$ per rating unit
All rating units in the Whakatāne and Ōhope Community Board Area	24.50
All rating units in the Rangitāiki Community Board Area	21.16
All rating units in the Tāneatua Community Board Area	44.95
All rating units in the Murupara Community Board Area	58.16

4.5 Transportation connections (roading) rates (Budgeted Revenue \$9,757,582)

The Council sets a targeted rate for the Transportation Connections activity group as a fixed amount per rating unit and a rate on the capital value as follows:

Land Liable	\$ per CV Dollar
All rateable properties	0.00054496

In addition to the above Council sets a transportation connections targeted rate of a fixed amount on all rating units in the district of **\$62.92** per rating unit.

4.6 Stormwater Rates (Budgeted Revenue \$5,684,668)

The Council sets for each stormwater scheme a fixed targeted rate and a rate on the capital value on properties connected to a scheme or located in that scheme area, as follows (differentially for Whakatāne):

Scheme	\$ per rating unit
Whakatāne area	162.32
Whakatāne Commercial and Industrial	162.32
All rating units in the Matatā area	95.61
All rating units in the Ōhope area	97.79
All rating units in the Edgecumbe area	153.59
All rating units in the Tāneatua area	42.86
All rating units in the Murupara area	8.84
All rating units in the Te Mahoe Land Drainage area	126.03
All rating units in the Te Teko Land Drainage area	30.64

Scheme	Differential	\$ per CV Dollar
Whakatāne properties	1.0	0.00051048
Whakatāne Commercial and Industrial properties	2.2*	0.00112305
Matatā	1.0	0.00051048
Ōhope	1.0	0.00021642
Edgecumbe	1.0	0.00060310
Tāneatua	1.0	0.00034649
Murupara	1.0	0.00015074
Te Mahoe Land Drainage	1.0	0.00127806
Te Teko Land Drainage	1.0	0.00042365

* a differential targeted rate calculated on capital value is charged for Whakatane Commercial and Industrial rating units, due to the greater level of impermeable surfaces putting greater pressure on stormwater systems.

4.7 Wastewater (sewage) rates (Budgeted Revenue \$7,421,154)

The Council sets targeted rates to fund sewage disposal for each of the following individual sewage schemes in the district:

- Whakatāne
- Ōhope
- Edgecumbe
- Tāneatua
- Murupara
- Te Mahoe

These rates are set on a differential basis based on land use and provision of service. Land use is either residential, rural, or commercial/industrial. Commercial/industrial is classed as any property for which the principal undertaking is any commercial/industrial activity or zoned commercial/industrial. Commercial/industrial properties are charged per pan. Residential properties are all other properties that are not commercial/industrial properties. Residential and rural properties are charged a fixed amount per separately used or inhabited part (SUIP) of a rating unit.

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.

The rates for the 2025/26 year are shown below:

Whakatāne, Ōhope, Edgecumbe, Tāneatua, Te Mahoe (all schemes excluding Murupara) (Budgeted Revenue \$7,104,567)	
\$601.47	per residential or rural rating unit connected to a public sewerage drain.
\$601.47	per pan commercial / industrial rating unit connected
\$300.74	Per rating unit availability (capable of connection)
Murupara (Budgeted Revenue \$316,587)	
\$411.15	per residential or rural rating unit connected to a public sewerage drain.
\$411.15	per pan commercial / industrial rating unit connected
\$205.58	per rating unit availability (capable of connection)

Rating units which are not connected to the scheme or not serviceable are not liable for these rates.

4.8 Water supply (metered and non-metered) rates (Budgeted Revenue \$11,490,206)

The Council sets targeted rates to fund water supplies for each of the following individual water supply schemes in the district:

1. Whakatāne
2. Ōhope
3. Edgumbe
4. Matatā
5. Tāneatua
6. Murupara
7. Rūātoki
8. Waimana
9. Plains /Awakeri Extension
10. Te Mahoe
11. Ruatāhuna

These rates are set on a differential basis based on provision of service. The targeted rates are set as a fixed amount.

The differential categories of service for the targeted rate for water supply are:

- **Connected** – any rating unit that is connected directly or indirectly to a Council operated waterworks
- **Availability** – any rating unit that is not connected to Council operated waterworks but is within 100 metres of such waterworks

Targeted rates are also set based on the volume of water supplied. All water by meter consumption that is invoiced during the current rating year will be calculated on the charges below.

The connected and metered charge is applicable to the water invoice for properties connected and metered.

Whakatāne, Ōhope, Edgumbe, Matatā, Tāneatua, Rūātoki, Waimana, Te Mahoe (Budgeted Revenue \$9,030,429)	
\$883.99	fixed amount per connection connected and non- metered
\$294.60	fixed amount per rating unit availability – non connected (capable of connection)
\$294.60	fixed amount per connection connected and metered
\$2.56	per cubic metre of all water supplied to each rating unit connected and metered
Murupara (Budgeted Revenue \$617,375)	
\$735.90	fixed amount per connection connected and non-metered
\$307.92	fixed amount per rating unit availability – non connected (capable of connection)
\$307.92	fixed amount per connection connected and metered

\$1.86	per cubic metre of all water supplied to each rating unit connected and metered
Plains and Awakeri Extension (Budgeted Revenue \$1,842,402)	
\$380.86	fixed amount per connection connected and metered
\$0.75	per cubic metre of all water supplied to each rating unit connected and metered.
<p>The Council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each property connected to the Plains water supply scheme. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement of \$0.90 per cubic metre.</p> <p>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.</p>	

4.9 Waste management (refuse removal) rates (Budgeted Revenue \$5,807,135)

The Council sets targeted rates to fund the collection and disposal of Council approved refuse and recycling. The targeted rates are set as a fixed amount where a service is **supplied** to the rating unit.

Where a Residential Service is **available** to a Residentially zoned unit, they will be charged a **minimum** of one service. A rating unit can apply for more than one service and will be charged accordingly. General waste is a weekly collection service, green waste and recycling is collected fortnightly.

The service applicable to each category is:

- Residential – refuse, recycling, and green waste
- Rural and Commercial – refuse and recycling

The Council targeted fixed rates **per service** for 2025/26 are:

1. Residential (excluding Ōhope)	\$410.93
2. Rural/Commercial (excluding Ōhope)	\$362.55
3. Residential Ōhope	\$413.61
4. Commercial Ōhope	\$365.23

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

4.10 Instalment Due Dates and Penalties – Rates (except for metered water)

There will be four equal instalments (GST Exclusive) for the 2025/2026 rates, each instalment due on the relevant due date stated below. A 10% penalty will be added to any part of a rates instalment that remains unpaid by the relevant due date. The penalty will be added on the penalty date stated in the table below as provided for in Section 57 and 58(1)(a) of the Local Government (Rating) Act 2002.

	Due Date	Penalty Date
Instalment 1	Friday, 22 August 2025	Wednesday, 27 August 2025
Instalment 2	Friday, 21 November 2025	Wednesday, 26 November 2025
Instalment 3	Friday, 20 February 2026	Wednesday, 25 February 2026
Instalment 4	Friday, 22 May 2026	Wednesday, 27 May 2026

4.11 Due Dates and Penalties - Water Rates

Targeted rates for metered water supply will be invoiced separately from other rates invoices and are due on the relevant due date for the periods stated below. A 10% penalty will be added to any part of the water rates that remain unpaid by the due date as shown in the table below. The penalty will be added on the penalty date stated below as provided for in Section 57 and 58(1)(a) of the Local Government (Rating) Act 2002.

Period	Scheme	Due Date	Penalty Date
1	Plains and Awakeri extension	Friday, 24 October 2025	Wednesday, 29 October 2025
2	All metered schemes	Friday 23 January 2026	Wednesday, 28 January 2026
3	Plains and Awakeri extension	Friday 24 April 2026	Wednesday, 29 April 2026
4	All metered schemes	Friday 24 July 2026	Wednesday, 29 July 2026

4.12 Arrears penalty

A further 10 percent penalty will be added on 1 October 2026 to any rates that were set prior to 1 July 2025 which are unpaid on 1 July 2025, and which remain unpaid on 30 September 2026, as provided in Section 58(1)(b) of the Local Government (Rating) Act 2002.

4.13 Discount For Prompt Payment

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 2025/2026 is 2.5%.

4.14 Payments

All rates shall be payable at the Whakatāne District Council Civic Centre, Commerce Street, Whakatāne, or Murupara Service Centre, Pine Drive, Murupara.

The payment facilities available at the Council offices are cash, credit card or EFTPOS. Council also accepts payment of rates by credit card, via our online facility at www.whakatane.govt.nz. Telephone and internet banking payments are also accepted. Alternatively, the Council has direct debit or automatic payment options available.

4.15 Allocation of Payments

Where any payment is made by a ratepayer that is less than the amount now payable, the payment will be applied firstly to any rates outstanding from previous rating years and then across current year rates based on oldest due date.

5 Options analysis - Ngā Kōwhiringa

5.1 Option 1 (Recommended option) – resolve the rates for the financial year 1 July 2025 – June 30 2026 based on the Annual Plan rating requirement within the funding impact statement. Council agreed to an average rates increase of 11.7% on 20 March 2025 when the Annual Plan Budget was presented on 20 March.

An average rates increase of 12.7% was set in the Long Term Plan 2024-34 with public consultation. The Annual Plan 2025/26 budget presented to Council identified savings and options to apply the savings to the operating deficit and rates. Council chose to apply the savings to reducing the operating deficit and allow a reduction of 1% to be applied to the 2025/26 rates.

Advantages	Disadvantages
<ul style="list-style-type: none">• Rates resolution will increase the average rates to 11.7% which is 1% lower than what was set out in the Long Term Plan	<ul style="list-style-type: none">• Balanced Budget and Essential Services Prudence benchmarks negatively impacted (equivalent to 3% of rates or \$2.1 million)

6 Significance and Engagement Assessment - *Aromatawai Pāhekoheko*

6.1 Assessment of Significance

The recommended option of this report is assessed to be of moderate significance in accordance with the Council's Significance and Engagement Policy. This assessment is considered moderate due to the following factors:

- **Level of community interest:** The level of community interest is anticipated to be moderate, with potential opposition.
- **Rating impact:** The anticipated costs to the community in terms of rates, although this will be 1% less than the increase which was consulted through LTP 2024-34.

6.2 Engagement and community views

The proposed communication approach in relation to the Annual Plan 2025/26, including the rates resolution, will be an informing exercise for communities. The Council will be open, honest, and clearly articulate to communities around the continued circumstances Council is facing with regards to inflation and rising costs, and the associated rating requirement to continue providing our levels of service.

Significance Criteria	Comments	Impact Assessment
Level of community interest: Expected level of community interest, opposition or controversy involved.	The rates resolution is expected to have community interest due to the topic and community members being key stakeholders	Moderate
Level of impact on current and future wellbeing: Expected level of adverse impact on the current and future wellbeing of our communities or District.	There is no change to the current level of service	low
Rating impact: Expected costs to the community, or sectors of the community, in terms of rates.	The recommended option is consistent with the Council's Decision on 20 March 2025 with an average rates increase of 11.7% (1% than what was consulted on in the Long Term Plan)	low
Financial impact: Expected financial impact on the Council, including on budgets, reserves, debt levels, overall rates, and limits in the Financial Strategy.	The recommended option of increasing the average rates increase to 11.7% will not have a significant impact on Council's Funding Impact Statement for 2025/26.	low
Consistency: Extent to which a proposal or decision is consistent with the Council's strategic direction, policies and significant decisions already made.	The recommended option is consistent with decision making by Council regard to the budget presented on 20 March 2025.	Low
Reversibility: Expected level of difficulty to reverse the proposal or decision, once committed to.	The rates and debt level will be adjusted for year 2025/26. Any future adjustments can be changed though the development of the next Annual Plan 26/27 and/or Long Term Plan 27-37	low
Impact on Māori: Expected level of impact on Māori, considering the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.	No direct impact on Te Toi Whakareī - Māori relationship strategy.	low
Impact on levels of service: Expected degree to which the Council's levels of service will be impacted.	The recommended option will have no impact on the current level of service with no significant changes to what was included in Year 2 of the Long Term Plan.	low
Impact on strategic assets: Expected impact on the performance or intended performance of the Council's Strategic Assets, for the purpose for which they are held.	The Rates Resolution does not seek sale of a strategic assets and has no or low impact on the performance of strategic assets.	low

7 Considerations - *Whai Whakaaro*

7.1 Financial/budget considerations

The revenue associated with this rates resolution is integral to the funding of year two of Long Term Plan 2024/25 operating and expenditure budgets and associated outcome, without which significant further change to the funding or levels of expenditure would be required.

7.2 Strategic alignment

The decisions within this report align with the adopted 2024/34 Long Term Plan. No inconsistencies with any of the Council's policies or plans have been identified in relation to this report.

7.3 Climate change assessment

Some individual budget items in the Funding Impact Statement may have a climate change impact. Climate changes impacts will be assessed as part of the delivery of specific project and activities.

There are no significant or notable impacts associated with the matters of this report.

7.4 Risks

Risks	Potential Mitigations
Reputation	<p>By following the recommended option to keep rates at 11.7% and undertaking an assessment based on sound judgement in relation to the levels of depreciation we should be funding, we think that this risk is mitigated as much as possible. Council is mindful of both the short and long term impacts of the financial decisions that it makes. In this instance an appropriate balance has been struck.</p> <p>This recommendation is in alignment with the direction set in the Long Term Plan, taking into account and balancing the changes in the operating environment over the course of the year, and forecasting what these may look like for next year.</p>
Financial	<p>By being consistent as much as possible with what was agreed with our community through the development of the Long Term Plan there is minimal risk on financial uncertainty.</p>
Local Water Done Well	<p>There is still uncertainty on the direction of travel in relation to this central government reform, Council has budgeted some expenditure to continue on this journey, and expects that it will continue to absorb staff time to progress towards an outcome that is supported by the community.</p>

8 Next Steps - *E whai ake nei*

If the recommended option is approved;

- (a) The adopted rates resolution will be published on the council's website and made available to the public within 20 working days, in accordance with section 23 of the Local Government (Rating) Act 2002.

- (b) Finance staff will update the rating database and prepare rates assessments and invoices for distribution to ratepayers.
- (c) Information will continue to be provided on our website explaining the rates changes.

Attached to this Report:

There are no appendices attached to this report.