

Funding impact statement

1. INTRODUCTION

This Funding Impact Statement details the Rating Policy and the rates funding requirements for 2017/18.

2. WARD BOUNDARIES AND RATING AREAS

Council has one rating area for the whole district. Where services benefit the whole community, these services will be paid from general rates. Where services benefit individuals or identifiable groups in the community, user charges or targeted rates may be levied. The rating system used by Council is capital value, and the property valuations produced by Landmass Technology; effective 1 July 2016 are used for the 2017/18 rating year. It should be noted that some targeted rates for water supply are calculated using the land value of that rating unit.

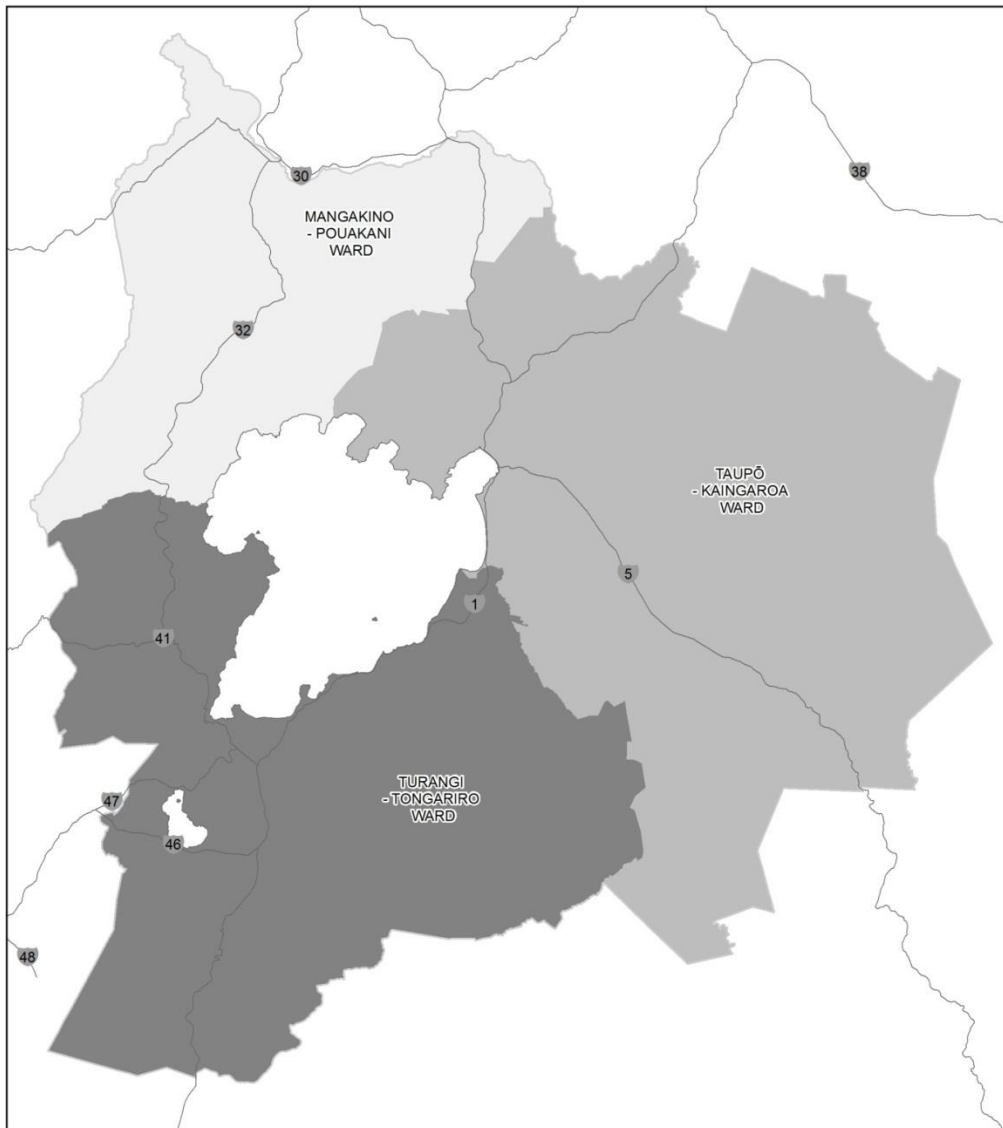


Figure 1 Taupō District and Wards

3. CATEGORIES OF RATEABLE LAND

The Council will adopt the following as its definitions for categories of rateable land for the 2017/18 financial year. These categories will be used as described elsewhere in this policy, and as required, for setting some of the targeted rates. The categories are:

- Residential – all residential rating units.
- Rural – all rating units that are used predominantly for farming or horticulture.
- Utilities assets and utility networks – all utility service rating units.
- Electricity Generators – all rating units used to generate electricity for commercial purposes.
- Industrial/Commercial – all rating units used for commercial, industrial or retail purposes. Administrative and operational rating units of Central and Local Government, including State Owned Enterprises are also categorised Industrial/ Commercial.
- Accommodation – all accommodation establishments for the travelling public, including motels, hotels, timeshares, camping grounds and backpacker lodges.
- Other – All other rating units not defined within the other differential categories.

3.1 It should be noted that:

- (a) Vacant land – the differential classification will be determined by the underlying zone classification or size (area) of the rating unit.
- (b) Separately used or inhabited part – this refers to the ability to use a part or parts of the rating unit as an independent residence; or in the case of a rating unit used for commercial or industrial business, the ability to use part or parts of the rating unit for independent trading operations. In a residential situation a separately used or inhabited part will only be classified if all of the following apply - separate kitchen including a bench top and sink, separate living facilities, separate toilet and bathroom facilities and separate access (including access through a common area such as a lobby, stairwell, hallway or foyer etc.). In a business situation a separately used or inhabited 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. It should be noted that, a rating unit with one use or part is one separately used or inhabited part.
- (c) Rating units with a partial remission – where part of a property qualifies for a rates remission, a rating division will be created to accurately levy rates and apply the remission.
- (d) Rates payments will be allocated to the oldest debt outstanding first.

3.2 Targeted Rates Based on Land Use

Council will target rates based on land use to assess:

- District Refuse Disposal Rate (1 and 2 below)

The following categories will apply:

1. All industrial, commercial, accommodation, utility assets/networks, and electricity generator rating units.
2. All residential, rural and other rating units.

3.3 Targeted Rates Based on Location

Council will use targeted rates based on location to assess rates for:

- Turangi-Tongariro Community Board Rate (see 1 below).
- Town Centre Taupō Management Rate (2 below).
- Whareroa Refuse Rate (3 below).

The following categories will apply:

1. Turangi/Tongariro Rating Area – (assessed on each separately used or inhabited part of a rating unit)
2. Commercial/Industrial rating units within the defined central business district of Taupō town. (assessed on each separately used or inhabited part of a rating unit)
See map 5 in this document.
3. All rating units on the Whareroa valuation roll.

3.4 Targeted Rates Based on Availability of Service

Council will use targeted rates based on availability of service to assess rates for:

- Water supply and sewage disposal (1, 2, 3, 4 and 5 below).
- Water and sewer loans to fund capital costs (6 below).
- Whakamaru Fire Protection Charge (7 below).

The following categories will apply:

1. connected – each separately used or inhabited part of a rating unit that is connected to a Council operated water scheme or is connected to a public sewerage drain.
2. serviceable (available to be connected) – any separately used or inhabited part of a rating unit that is not connected to an accessible sewage drain but is within 30 metres of such a drain; or any separately used or inhabited part of a rating unit that is not connected to an accessible Council operated water scheme but is within 100 metres of any part of the waterworks
3. sewer multi connections – rating units with more than one pan or urinal.
4. water multi connections – rating units with more than one separately used or inhabited part.
5. metered water supply – rating units with a water meter.
6. rating units where no election was made to pay by lump sum contribution.
7. defined rating units within the Whakamaru village.

4. GENERAL AND TARGETED RATES

The Council intends to set the following rates under the Local Government (Rating) Act 2002, on rating units in the district for the financial year commencing on 1 July 2017 and ending on 30 June 2018.

4.1 General Rate

A General Rate, set under section 13 of the Local Government (Rating) Act 2002 made on every rating unit in the district and calculated on the capital value of each rating unit.

The General Rate is used to fund activities and services including: community engagement, community grants, building compliance and development, district plan compliance, health and liquor, parking, rural fire, transport, lakes and rivers systems, parks, reserves and sports grounds, swimming pools (AC Baths, Genesis Aquatic Centre, Mangakino pool), Taupō

Events Centre, Great Lake Centre, Libraries, Taupō Museum and Art Gallery, community halls, public toilets (including the Superloo), housing for the elderly, litter control, stormwater, planning for the future, Turangi Tongariro Community Board, Council property, destination marketing and economic development.

Valuation basis for general rates

Council uses capital value as the basis for general rates.

Rating Unit	2016/17 GST incl	2017/18 GST incl
Residential	0.0028010/\$	0.0025878/\$
Rural	0.0028010/\$	0.0025878/\$
Utility Assets and Networks	0.0028010/\$	0.0025878/\$
Electricity generators	0.0028010/\$	0.0025878/\$
Industrial/Commercial	0.0050418/\$	0.0046580/\$
Accommodation	0.0050418/\$	0.0046580/\$
Other	0.0028010/\$	0.0025878/\$

4.2 Differentials

Council uses a 1.8 differential for Industrial/Commercial, and Accommodation property categories. All other sectors or categories of ratepayer will pay the standard rate (differential = 1).

Property Categories	Differential Factors
Residential	1.000
Rural	1.000
Utility Assets and Networks	1.000
Electricity Generators	1.000
Industrial/Commercial	1.800
Accommodation	1.800
Other	1.000

4.3 Uniform Annual General Charge

A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 is assessed on every separately used or inhabited part of a rating unit in the district (as defined in section 3.1.b of this document). For the avoidance of doubt, where a rating unit is divided into separate parts for rating purposes, each separate part is treated as if it were a separate rating unit for the application of this Uniform Annual General Charge. The Uniform Annual General Charge will be used to fund such things as leadership, governance, advocacy, emergency management, animal control and cemeteries.

	2016/17 GST incl	2017/18 GST incl
Uniform Annual General Charge	\$250.00	\$250.00

4.4 Sewage Disposal

A targeted rate to fund sewage disposal, as outlined in the Groups of Activities – Wastewater section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on every rating unit connected or available to be connected to a accessible Council scheme on the basis of one charge per pan or urinal (with the exception of the residence of a single household – which shall be levied only one charge). For the avoidance of doubt the words ‘a single household’ do not restrict the charge to one pan/urinal in the situation where a rating unit has separately used or inhabited parts (as defined in section 3.1.b of this document). In such a situation each separately used or inhabited part is regarded as a separate household, and a charge applied, at the sliding scale, for each separately used or inhabited part of the rating unit (those within 30 metres of a sewage drain)

The sewer schemes are: Taupō Township, Acacia Bay, Kinloch, Waitahanui/Five Mile Bay, Whakamaru, Mangakino, Atiamuri, Turangi Township/Tokaanu, Omori/ Kuratau/Pukawa, Motutere, Whareroa and Motuoapa.

Targeted Sewer Disposal charges are:

Category	2016/17 GST incl	2017/18 GST incl
Connected (1st pan/urinals)	\$695.68	\$684.23
Connected (2 – 10 pans/urinals)	\$521.76	\$513.17
Connected (10 + pans/urinals)	\$347.84	\$342.12
Connected (schools 10 + pans/urinals)	\$173.92	\$171.06
Serviceable (available to be connected)	\$347.84	\$342.12

4.5 Sewer Loan Servicing

A targeted rate to fund for sewer scheme loans, as outlined in the Groups of Activities – Wastewater section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on every rating unit within a sewer loan servicing scheme where no election was made to pay by way of lump sum contribution.

Targeted Sewer Scheme Loan Charges are:

Sewer Loan	2016/17 GST incl	2017/18 GST incl
Waitahanui/Five Mile May	\$274.99	\$298.90



Figure 2 Waitahanui/Five Mile Bay Sewer Loan Servicing Rate

4.6 Water Supply

Water Schemes with fixed charge targeted rates.

A targeted rate to fund water supply, as outlined in the Groups of Activities – Water section of this document, set under section 16 of the Local Government (Rating) Act, assessed on the basis of a targeted rate on any separately used or inhabited part (as defined in section 3.1.b of this document) of a rating unit that can be occupied, and being a rating unit which is connected, or is available to be connected, to a accessible Council scheme. A full charge will be made for each connected separately used or inhabited part of the rating unit and a half charge for serviceable separately used or inhabited parts of a rating unit (those within 100 metres of any part of the water scheme).

The water schemes and targeted water charges on any separate part of a rating unit described above are:

Water Scheme	2016/17 GST incl	2017/18 GST incl
Taupō Township/Wairakei Village	\$456.38	\$450.22
Acacia Bay	\$546.18	\$545.00
Kinloch	\$345.98	\$400.67
Waitahanui	\$508.66	\$517.42
River Road	\$695.78	\$685.05
Mangakino Township	\$460.25	\$464.61
Atiamuri	\$823.70	\$871.51
Whakamaru	\$871.80	\$1,006.32
Turangi Township/Tokaanu	\$296.49	\$296.72
Motuoapa	\$419.13	\$497.55
Omori/Kuratau/Pukawa	\$272.55	\$277.61
Hatepe	\$703.73	\$757.25
Whareroa	\$426.71	\$429.58

Water schemes with charges based on land value.

All rating units within the water supply areas defined herewith (whether connected or not) are assessed on the basis of land value without differentials. This is also a targeted rate, set under section 16 of the Local Government (Rating) Act 2002.

The water schemes and targeted water rates are:

Water Scheme	2016/17 GST incl	2017/18 GST incl
Whakaroa	0.0019738/\$	0.0015182/\$
Rakaunui Road	0.0023641/\$	0.0025228/\$
Centennial Drive (untreated)	0.0050030/\$	0.0049223/\$
Mapara Road	0.0005164/\$	0.0009026/\$
Bonshaw Park	0.0048805/\$	0.0045439/\$
Whakamoenga Point	0.0010400/\$	0.0014504/\$
Waihaha	0.0038261/\$	0.0030966/\$
Tirohanga	0.0011492/\$	0.0007920/\$

Note: Water meter charges will be invoiced separately from rate invoices at various times throughout the year (depending on the water scheme).

The targeted water meter rates are:

Water Supply	2016/17 GST incl	2017/18 GST incl
	Cents/m3	Cents/m3
Taupō Township/ Wairakei	227	227
Waitahanui	410	410
Acacia Bay	200	200
Kinloch	144	144
Whakaroa	229	229
Mapara Road	160	160
Bonshaw Park	291	291
Whakamoenga Point	161	161
River Road	162	162
Mangakino Township	178	178
Tirohanga	93	93
Turangi Township	69	69
Motuoapa	110	110
Tokaanu	131	131
Hatepe	259	259
Omori/Kuratau/ Pukawa	148	148
Whakamaru	152	152
Atiamuri	178	178
Rakaunui Road	63	63
Centennial Drive (untreated)	51	51

4.7 Metered Water Supply

A targeted rate for metered water supply, set under section 19 of the Local Government (Rating) Act 2002, and assessed on the volume of water supplied to every rating unit with a water meter. In applying these metered water charges, the ratepayer will be provided with units of water at no charge up to the threshold at which the level of water usage multiplied by the rate per cubic metre matches the targeted rate contribution under the provisions of section 4.6 of this policy. It is only when this threshold is exceeded that water meter charges at the rates set above will be applied.

4.8 District Refuse Disposal Charge

A targeted rate to fund district refuse disposal, solid waste operations and waste minimization initiatives, as outlined in the Groups of Activities – Solid waste section of this document, set under section 16 of the Local Government (Rating) Act 2002 and assessed on each separately used or inhabited part (SUIP - as defined in section 3.1.b of this document) of each rateable rating unit in the district on the basis that properties categorised as residential, rural or other shall be assessed with one charge per SUIP, and industrial/commercial, accommodation, electricity generator and utility asset/network rating units shall be assessed with twice the charge per SUIP. For the avoidance of doubt, where a rating unit is divided into separate parts for rating purposes, each separate part is treated as if it were a separate rating unit for the application of this District Refuse Disposal Charge.

The targeted District Refuse Disposal Charge is:

	2016/17 GST incl	2017/18 GST incl
District Refuse Disposal Charge	\$46.67	\$45.55

4.9 Whakamaru Fire Protection Rate

A targeted Whakamaru Fire Protection Rate, as outlined in the Groups of Activities – Water section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on specified rating units within the Whakamaru Village.

The targeted Whakamaru Fire Protection Rate is:

	2016/17 GST incl	2017/18 GST incl
Whakamaru Fire Protection	\$167.71	\$167.71



Figure 3 Whakamaru Fire Protection area

4.10 Whareroa Refuse Rate

A targeted Whareroa Refuse Rate, to fund the 24 hr turnstile access to the Whareroa refuse station, as outlined in the Groups of Activities – Solid waste section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on all rating units in the Whareroa rating area.

The targeted Whareroa Refuse Rate is:

	2016/17 GST incl	2017/18 GST incl
Whareroa Refuse Rate	\$90.45	\$90.90



Figure 4 Whareroa Refuse area

4.11 Town Centre Taupō Management Rate

A targeted Town Centre Taupō Management Rate, to fund services to enhance and develop the social and economic wellbeing of the Taupō central business district, as outlined in the Groups of Activities – Economic Development section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on each separately used or inhabited part (as defined in section 3.1.b of this document) of industrial/commercial rating units within the defined central business district of Taupō town (see Figure 5 below).

The targeted Town Centre Taupō Management Rate is:

	2016/17 GST incl	2017/18 GST incl
Town Centre Taupō Management	\$356.84	\$354.78



Figure 5 Taupō Town Centre

4.12 Turangi Tongariro Community Board Rate

A targeted Turangi Tongariro Community Board Rate, as outlined in the Groups of Activities – Democracy and planning section of this document, set under section 16 of the Local Government (Rating) Act 2002, assessed on each separately used or inhabited part (as defined in section 3.1.b of this document) of all rating units within the Turangi-Tongariro ward (as highlighted in figure 1 of this document)

	2016/17 GST incl	2017/18 GST incl
Turangi Tongariro Community Board Rate	\$16.72	\$16.72

5. Examples of rates per type of property

Residential properties - Taupo

	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Rating Valuation	\$259,000	\$284,000	\$369,000	\$453,000	\$500,000	\$565,000	\$745,000	\$810,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,199	1,180	1,199	1,180	1,199	1,180	1,199	1,180
General Rates	975	985	1,284	1,422	1,651	1,712	2,337	2,346
Total Rates	2,174	2,165	2,482	2,602	2,849	2,892	3,535	3,526
\$ change per week		-0.18		2.31		0.82		-0.18
% change		0%		5%		2%		0%

Residential properties - Turangi

	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Rating Valuation	\$150,000	\$162,000	\$170,000	\$186,000	\$190,000	\$208,000	\$451,000	\$466,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,056	1,043	1,056	1,043	1,056	1,043	1,056	1,043
General Rates	670	669	726	731	782	788	1,513	1,456
Total Rates	1,726	1,712	1,782	1,775	1,838	1,831	2,569	2,499
\$ change per week		-0.26		-0.14		-0.12		-1.34
% change		-1%		0%		0%		-3%

Residential properties - Mangakino

	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Rating Valuation	\$105,000	\$111,000	\$125,000	\$157,000	\$180,000	\$218,000	\$302,000	\$320,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,203	1,194	1,203	1,194	1,203	1,194	1,203	1,194
General Rates	544	537	600	656	754	814	1,096	1,078
Total Rates	1,747	1,732	1,803	1,851	1,957	2,009	2,299	2,272
\$ change per week		-0.29		0.92		1.00		-0.50
% change		-1%		3%		3%		-1%

Industrial Commercial properties

	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Rating Valuation	\$480,000	\$485,000	\$765,000	\$800,000	\$1,030,000	\$1,100,000	\$2,295,000	\$2,800,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	1,245	1,226	1,602	1,580	2,646	2,607	2,124	2,094
General Rates	2,670	2,509	4,107	3,976	5,443	5,374	11,821	13,292
Total Rates	3,915	3,735	5,709	5,557	8,089	7,980	13,945	15,386
\$ change per week		-3.48		-2.93		-2.08		27.71
% change		-5%		-3%		-1%		10%

Rural properties

	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Rating Valuation	\$555,000	\$615,000	\$965,000	\$1,050,000	\$4,490,000	\$6,115,000	\$9,647,000	\$10,072,000
	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$	CV \$
Fixed Targeted Rates	47	46	47	46	47	46	596	91
General Rates	1,805	1,842	2,953	2,967	12,826	16,074	27,521	26,564
Total Rates	1,851	1,887	3,000	3,013	12,873	16,120	28,117	26,655
\$ change per week		0.69		0.25		62.44		-28.10
% change		2%		0%		25%		-5%

Schedule to the Funding Impact Statement

	Annual Plan 2016/17 (\$000)	LTP 2017/18 (\$000)	Annual Plan 2017/18 (\$000)
Revenue			
General rate	31,803	31,990	32,973
Targeted rates			
Uniform annual general charge	5,903	6,198	6,325
Lake protection	-	-	-
Water	8,841	10,043	9,129
Sewage disposal	12,465	13,369	12,350
Refuse disposal	1,042	1,350	1,023
Whareroa refuse collection rate	16	16	16
Turangi Tongariro Community Board rate	80	84	80
Taupo Town Centre management rate	164	173	163
Waitahanui sewer loan	6	5	6
Whakamaru fire protection	4	4	4
Rates penalties	375	400	400
Fees and charges	9,215	9,717	9,703
Other revenue	1,016	1,084	990
Operating subsidies	1,960	2,033	1,952
Interest	2,937	4,891	3,130
Capital contributions			
Development contributions	953	1,171	1,274
Other gains & losses	1,715	1,206	1,549
Vested assets	900	961	900
Capital subsidy	2,366	1,531	2,447
Total operating revenue	81,761	86,226	84,414
Operating expenditure			
Operating expenses	48,615	51,047	50,803
Interest expense	8,755	10,019	8,642
Depreciation	19,818	21,301	21,257
Total operating expenses	77,188	82,367	80,702
Operating surplus/(deficit) before asset development and other gains/(losses) and tax	4,573	3,859	3,712
Other expenses			
Capital expenditure	18,700	19,822	23,350
Debt repayments	11,569	11,749	11,820
Transfers to special reserves	6,186	5,467	6,349
Recognition of vested assets	900	961	900
Depreciation not funded	(2,514)	(2,569)	(3,537)
Total net cost	30,268	31,571	35,170
Funded by:			
General rates	-	-	-
Loans raised	6,466	9,524	9,279
Development, financial & other contributions	-	-	-
NZTA and other subsidies	2,366	1,531	4,572
Transfers from reserves	21,436	20,516	21,319
Total net funding	30,268	31,571	35,170