

Rates Resolution for the Period 1 July 2024 and Ending 30 June 2025



To: **Whakatāne District Council**

Date: **Monday, 5 August 2024**

Author: **G Connolly / CFO and GM of Business Partnering**

Authoriser: **D Bewley / Acting Chief Executive**

Reference: **A2714769**

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 2024 and ending on 30 June 2025.

2 Recommendations - *Tohutohu akiaki*

1. **THAT** the Rates Resolution for the Period Commencing 1 July 2024 and ending 30 June 2025 report be received; and
2. **THAT** the Whakatāne District Council sets the rates noted in sections 4.1 to 11 of this report, under the Local Government (Rating) Act 2002, on rating units in the District for the financial year commencing on 1 July 2024 and ending on 30 June 2025, based on the Long Term Plan rating requirement within the indicative funding impact statement of a 16.2% rates requirement in comparison with the 2023-24 annual plan (15.0% net of growth) provided for in the proceeding Agenda item adopting the 2024-34 Long Term Plan within this Council meeting.

3 Background - *He tirohanga whakamuri*

3.1 Setting of Rates for 2024/25 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 2024/25 it must have adopted the Long Term Plan, including the Funding Impact Statements for 2024/25. The following resolution provides for the setting and assessment of these rates.

The Long Term Plan 2024/25 is set to be adopted on 5 August 2024.

4 Subject - *Kaupapa*

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 levied on the ratepayer.
All figures in this report are GST exclusive.

4.1 General Rates (Budgeted Revenue \$32,366,999)

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 2024/25 are:

	Per dollar of Capital Value	Rate \$
Step 1	District wide rateable residential properties capital value up to \$30 million	0.00133907
	District wide rateable commercial properties capital value up to \$30 million	0.00133907
	District wide rateable industrial properties capital value up to \$30 million	0.00133907
	District wide rateable rural and horticultural properties capital value up to \$30 million	0.00133907
Step 2	District wide rateable properties capital value portion greater than \$30 million	0.00100430

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 2024/25 year this charge is \$718.14 per rating unit.

4.2 District Growth Rates (Budgeted Revenue \$1,446,220)

Council sets a targeted rate on the capital value for all commercial and industrial properties as follows:

Per dollar of Capital Value	Differential	Rate \$
Commercial and Industrial properties within the Whakatāne urban area	2.0	0.00132632
Commercial and Industrial properties outside the Whakatāne urban area	1.0	0.00066316

In addition, Council set as a targeted rate of a fixed amount of **\$590.78** per rating unit for all commercial and industrial properties within the district.

4.3 Democracy - Community Board Rates (Budgeted Revenue \$425,159)

The Community Board rate is 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 on rating units within each of the following areas (locations):

Targeted Rate	\$
All rating units in the Whakatāne and Ōhope Community Board Area	24.04
All rating units in the Rangitāiki Community Board Area	20.86
All rating units in the Tāneatua Community Board Area	43.99
All rating units in the Murupara Community Board Area	56.78

4.4 Epic Targeted Rate (Budgeted Revenue \$84,460)

A targeted rate has been set on 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.

Per dollar of Capital Value	Rate \$
Rateable units identified as the Whakatāne Central Business District in the Whakatāne District Plan	0.00060643

4.5 Transportation connections (roading) rates (Budgeted Revenue \$8,463,484)

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

Per dollar of Capital Value	Rate \$
All rateable properties	0.00047517

In addition to the above Council sets a transportation connections targeted rate of a fixed amount on all rating units in the district of **\$54.88**.

4.6 Stormwater Rates (Budgeted Revenue \$4,982,473)

The Council sets a fixed targeted rate for stormwater and a rate on the capital value differentially as follows:

Fixed Amount per Scheme	\$
Whakatāne urban area	134.36
Whakatāne Commercial and Industrial	134.36
All rating units in the Matatā area	91.67
All rating units in the Ōhope area	101.86
All rating units in the Edgecumbe area	165.08
All rating units in the Tāneatua area	40.11
All rating units in the Murupara area	8.55
All rating units in the Te Mahoe Land Drainage area	117.19
All rating units in the Te Teko Land Drainage area	29.99

Per Dollar of Capital Value per Scheme	Differential	Rate \$
Whakatāne Urban properties	1.0	0.00042380
Whakatāne Commercial and Industrial properties	2.2*	0.00093236
Matatā	1.0	0.00042380
Ōhope	1.0	0.00022617
Edgecumbe	1.0	0.00064651
Tāneatua	1.0	0.00033502
Murupara	1.0	0.00014604
Te Mahoe Land Drainage	1.0	0.00118844
Te Teko Land Drainage	1.0	0.00041459

* 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 (sewerage) rates (Budgeted Revenue \$6,427,863)

The Council sets targeted rates of a fixed amount per connection to fund sewage disposal for each of the following individual sewerage 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 2024/25 year are shown below:

Whakatāne, Ōhope, Edgecumbe, Tāneatua, Te Mahoe (all schemes excluding Murupara) (Budgeted Revenue \$6,139,263)	
\$522.65	per residential or rural rating unit connected to a public sewerage drain.
\$522.65	per pan commercial / industrial rating unit connected
\$261.32	per rating unit availability (capable of connection)
Murupara (Budgeted Revenue \$288,600)	
\$374.81	per residential or rural rating unit connected to a public sewerage drain.
\$374.81	per pan commercial / industrial rating unit connected
\$187.40	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 \$9,855,581)

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. Edgecumbe
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, land use and location.

The targeted rates are set as a fixed amount per connection. 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 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 a Council operated waterworks but is within 100 metres of such waterworks

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

Whakatāne, Ōhope, Edgecumbe, Matatā, Tāneatua, Rūātoki, Waimana, Te Mahoe (Budgeted Revenue \$7,905,302)	
\$798.34	fixed amount per connection connected and non- metered
\$285.85	fixed amount per rating unit availability – non connected (capable of connection)
\$285.85	fixed amount per connection connected and metered
\$2.23	per cubic metre of all water supplied to each rating unit connected and metered
Murupara (Budgeted Revenue \$517,624)	
\$625.06	fixed amount per connection connected and non-metered
\$257.84	fixed amount per rating unit availability – non connected (capable of connection)
\$257.84	fixed amount per connection connected and metered
\$1.60	per cubic metre of all water supplied to each rating unit connected and metered
Plains (Budgeted Revenue \$1,432,656)	
\$294.79	fixed amount per connection connected and metered
\$0.50	per cubic metre of all water supplied to each rating unit connected and metered.

4.9 Waste management (refuse removal) rates (Budgeted Revenue \$5,717,246)

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

Residential rating units are charged a minimum of one refuse charge. 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 2024/25 are:

1. Residential	\$410.66
2. Rural/Commercial	\$353.29
3. Residential Ōhope	\$413.36
4. Commercial Ōhope	\$355.99

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

4.10 Instalment Due Dates - Rates

There will be four equal instalments (GST Exclusive) for the 2024/2025 rates. A 10% penalty will be added to any part of the rates instalment that remains unpaid by the due date as shown 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, 20 September 2024	Wednesday, 25 September 2024
Instalment 2	Friday, 22 November 2024	Wednesday, 27 November 2024
Instalment 3	Friday, 21 February 2025	Wednesday, 26 February 2025
Instalment 4	Friday, 23 May 2025	Wednesday, 28 May 2025

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

4.11 Due Dates - Water Rates

Targeted rates for metered water supply will be invoiced separately from other rates invoices. 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 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	Friday, 25 October 2024	Wednesday, 30 October 2024
2	All metered schemes	Friday 24 January 2025	Wednesday, 29 January 2025

3	Plains	Thursday 24 April 2025	Wednesday, 30 April 2025
4	All metered schemes	Friday 25 July 2025	Wednesday, 30 July 2025

4.12 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 2024/2025 is 2.5%.

4.13 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.

4.14 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 Significance and Engagement Assessment - *Aromatawai Pāhekoheko*

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.

5.1 Assessment of Significance

The decisions and matters of this report are assessed to be of high significance, in accordance with the Council's Significance and Engagement Policy. This assessment is high because of the following factors:

- **Level of community interest:** The level of community interest is anticipated to be high, with potential opposition or controversy.
- **Rating impact:** The anticipated costs to the community in terms of rates.
- **Financial impact:** The expected financial implications for the Council, including effects on budgets, reserves, debt levels, overall rates, and limits defined in the Financial Strategy.
- **Reversibility:** The anticipated difficulty in reversing the proposal or decision once it is committed.
- **Impact on levels of service:** The expected effect on the Council's service levels.
- **Impact on strategic assets:** The expected influence on the performance or intended performance of the Council's Strategic Assets, considering their intended purposes.

5.2 Engagement and community views

Public consultation has been undertaken under the Special Consultative Procedure as part of the LTP programme. An overview of communication and engagement activities delivered under the LTP

2024-34 engagement plan was included in the 'Council Long Term Plan Deliberations' report which was provided to support the deliberations on the LTP 2024-34 on 8 and 9 May 2024.

Following adoption of the LTP on 5 August 2024, the engagement loop will be closed with information provided to submitters regarding Council's LTP decisions, rates resolution, and key LTP messages.

6 Considerations - *Whai Whakaaro*

6.1 Financial/budget considerations

The revenue associated with this rates resolution is integral to the funding of year one 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.

6.2 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.

6.3 Climate change assessment

The decisions and matters of this report are assessed to have low climate change implications and considerations, in accordance with the Council's Climate Change Principles.

6.4 Risks

Key risk associated with this resolution have been raised with the Council during development of the Long Term Plan, and are assessed as follows based on the enterprise risk framework consequence matrix:

6.4.1 ***Image and reputation - Major:***

Risk due to the higher than usual level of annual rates increase, though the likelihood of this is somewhat mitigated by the implications that this is a sector wide issue given the rates rises of other councils, rather than limited to Whakatāne District as an exception:

Major - National adverse political or media comment for more than two days. Regional adverse Political or media comment for more than one week. Prolonged public disaffection with the policies or actions of council. Loss of confidence in the Councils capabilities and standing lasting for several months.

6.4.2 ***Financial - Moderate:***

Risk due to the higher than usual level of annual rates increase that the collection ratio trends which have been consistent in previous years will reduce. We have introduced mitigation to reduce likelihood through the provision for potential bad debts within the Long Term Plan, additional focused communication plans, and planning to increase the extent and frequency of collection KPI monitoring:

Moderate – A Capex overspend of >5% or an Opex overspend of >1% of the annual plan. Rates increase close to the limit on rates increase from the financial strategy in the LTP/Annual Plan. Unanticipated costs or losses of \$500k~\$1m.

7 Next steps - *Ahu whakamua*

The LTP/Rates Resolution formal adoption will trigger a number of activities (internally and externally) as summarised below:

- Website, comms, radio and media advertising updates
- Valuation data reconciliation with Valuation Service Provider (QV) to ensure consistency
- Finalise new rate codes and/or billing areas
- Update rate code and water billing charges
- Account remissions updated and in place
- Strike 2024/25 rates assessment (and test)
- Run land rates first quarterly instalment (and test)
- Final correspondence updates with comms/graphics (newsletters, invoice templates etc)
- Update direct debit schedules and communicate changes with customers
- Test invoice files with printers (Marathon Visual Media)
- Live invoicing by printers on 1 September 2024 (including newsletters and rebate applications)
- 1st land rates instalment due the 20 September 2024