

# Long Term Plan 2021-31

## Mahere pae tawhiti



### PART 6

## Dollars and Cents

- Funding and rates
- Long Term Plan disclosure statement
- Rating funding impact statement
- Forecast financial statements and reserves
- Statement of accounting policies
- What the auditors said

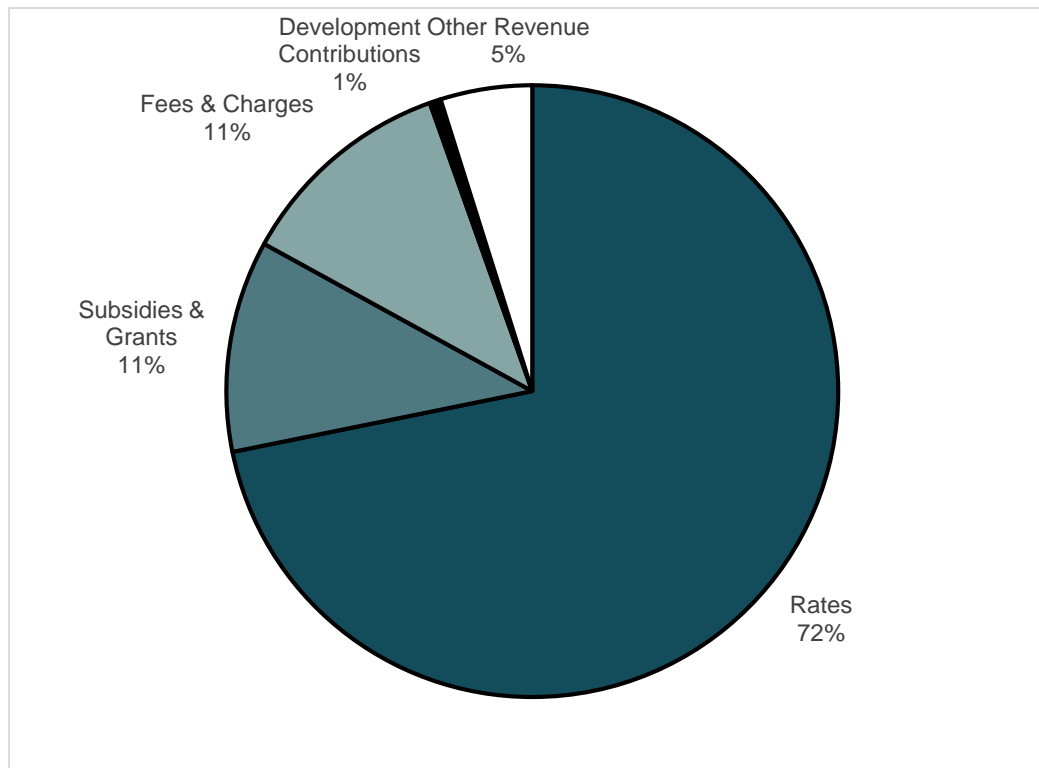


SECURING **TODAY**. SHAPING **TOMORROW**. STRONG **FUTURE**.

## Funding and rates | Te putea me ngā reiti

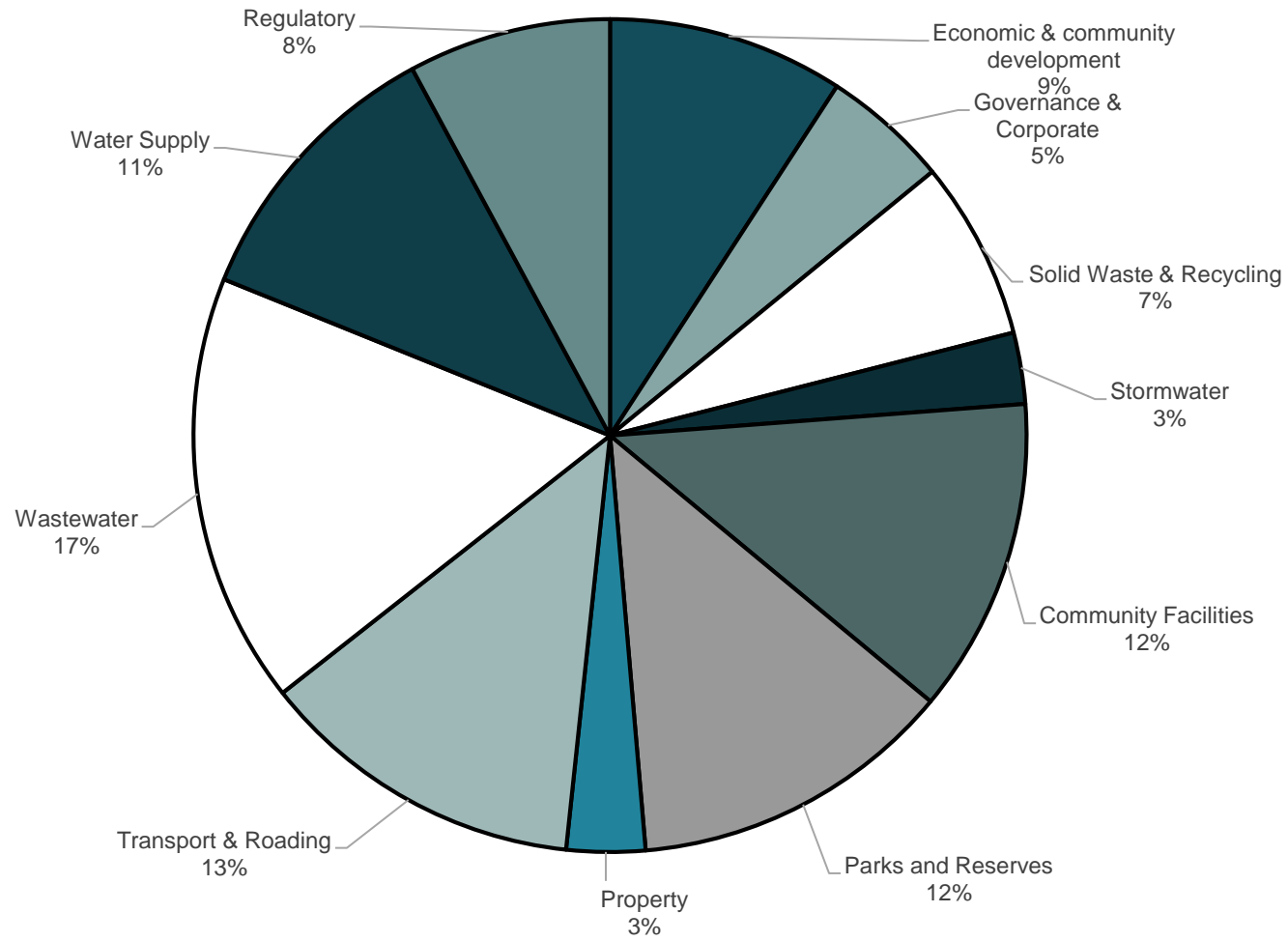
This Part looks at where Council sources its funds and where it spends the money it collects. It also includes information on the rating policy, rates examples and the proposed individual rates charges for the ten years of the LTP.

### Where will Council receive funding from in 2021-31?



Source	Examples
<b>Subsidies and Grants</b>	Council collects from government agencies like the New Zealand Transport Agency for roading projects and maintenance.
<b>Fees and Charges</b>	Council collects from things like pool entry, library charges, dog registrations, building consent fees etc.
<b>Development Contributions</b>	Council charges developers for growth related infrastructure required for new residential and business development.
<b>Other Income</b>	Council receives income from investments as well as a small amount of other income from a number of sources, such as rate penalties.
<b>Rates</b>	Council collects from you via your rates bill.

## Where will Council spend its rate money in 2021-31



<b>Service</b>	<b>Examples</b>
<b>Regulatory</b>	Animal control, building control, environmental health, liquor licensing, parking, planning, emergency management
<b>Solid Waste &amp; Recycling</b>	Landfills, refuse and recycling collections, planned maintenance, new recycling centre in Tokoroa
<b>Wastewater</b>	Reticulation and treatment of sewage, improvements to wastewater treatment plants
<b>Roads</b>	Road resurfacing, road rehabilitation, signage renewal and replacement, lighting, street fixtures, road safety education, culverts and footpath renewal
<b>Stormwater</b>	Monitoring and maintenance of existing networks
<b>Water Supply</b>	Water treatment and supply, pipe replacement, planned maintenance of existing system, system upgrades, reticulation replacements, commercial water meter upgrade, compliance with Drinking-water Standards for New Zealand
<b>Parks and Reserves</b>	Parks and reserves, cemeteries, sportsgrounds and playgrounds
<b>Community Facilities</b>	South Waikato Indoor Pools, seasonal pools at Putāruru and Tīrau, pool programmes like 'Woggles', 'Learn to Swim' and 'Swim Academy'. Three district libraries, library programmes like 'Summer Reading' and 'School Holiday Programmes', internet access, toy library collection, puzzles, DVDs and magazines. Talking poles. South Waikato Sport and Events Centre.
<b>Economic and Community Development</b>	Events, community advocacy, grants, economic development and community contracts
<b>Property</b>	Council buildings including urban toilets
<b>Governance &amp; Corporate</b>	Council meetings, elections, Tīrau Community Board, long term planning and managing Council business

# The Rating Funding Impact Statement | Te taukī kawekawe ō ngā pūtea moni

Please note that the Funding Impact Statement is presented for compliance with Local Government (Financial Reporting and Prudence) Regulations 2014. The information presented is not presented in compliance with New Zealand generally accepted accounting practice (GAAP) and does not include depreciation and other items of a non-cash nature.

## The funding impact statement

This is a summary of where money will come from, for the year commencing 1 July 2021. The following rates have been set by the South Waikato District Council under the Local Government (Rating) Act 2002, on rating units in the District, for the financial year commencing 1 July 2021 and ending on 30 June 2022.

Note: All per unit rates are quoted inclusive of GST and rate revenue to be collected is GST exclusive. The rating system used for the general rate and some of the targeted rates is capital value, and the property valuations produced by Opteon Technologies Ltd effective 1 July 2018 are used for the 2021-22 rating year.

It should be noted that a separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner/ a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

Examples of separately used or inhabited parts include:

- a property containing two or more separately occupiable units, flats or houses

- a residential, lifestyle or rural property containing separately occupiable areas with a separate business operating in that area or areas
- a commercial or otherwise non-residential property containing separate residential accommodation
- commercial premises or office blocks containing separate shops, office areas, workshops, warehouses or other areas, each operated as a separate business in those premises.

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

### Limitation on uniform rates

**Section 21 of the Local Government (Rating) Act 2002 puts a legislative limit on the amount of rates that can be collected from certain uniformly charged rating mechanisms. In relation to the requirements of that section, the forecast for the 2021-22 year is 22%. The maximum limit is 30%.**

### General rate

A general rate of \$0.002790 per dollar of the rateable capital value of every separate rating unit in the District. The rate is expected to produce \$16,066,690 (excluding GST).  
(Pursuant to Section 13 of the Local Government (Rating) Act 2002)

### Uniform annual general charge

A uniform annual general charge of \$446.29 on every separate rating unit in the District. The rate is expected to produce \$3,700,717 (excluding GST).  
(Pursuant to Section 15 of the Local Government (Rating) Act 2002)

### Additional unit rate

An Additional unit rate is charged to any rating unit that has more than one separately used or inhabited part as follows:

- For each residential part of a rating unit: A targeted rate on a uniform basis of \$446.29 on each separately used or inhabited part of a rating unit beyond the first dwelling or non-residential part. The rate is expected to produce \$503,338 (excluding GST).
- For each non-residential part of a rating unit: A targeted rate on a uniform basis of \$446.29 on each separately used or inhabited part of a rating unit beyond the first dwelling or non-residential part. The rate is expected to produce \$88,870 (excluding GST).

- For clarification, a residential part means a self-contained house, unit, flat or similar, designed for or used primarily for residential purposes. A non-residential part means a shop, offices, workshop, warehouse, separate yard or similar, designed for or used primarily for non-residential purposes.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

### Water supply charge

#### Water supply - metered

For Rating units that are solely and exclusively supplied via a metered water supply:

- A targeted rate on a uniform basis of \$438.05 per metered supply.
- Plus, water used in excess of 320m<sup>3</sup> per annum on an individual metered supply shall be charged at \$1.20 m<sup>3</sup>, or where water is used in excess of 200m<sup>3</sup> per day this shall be charged at \$1.40 m<sup>3</sup>.

#### Water supply - partly metered or sharing a metered supply

For Rating units that have a mixture of metered and non-metered water supply, or that share a metered water supply with another rating unit:

- A targeted rate on a uniform basis of \$438.05 for each separately used or inhabited part of a rating unit connected to the Council water supply
- Plus, water used in excess of 320m<sup>3</sup> per annum per separately used or inhabited part of a rating unit connected to the Council water supply shall be charged at \$1.20 m<sup>3</sup>, or where water is used in excess of 200m<sup>3</sup> per day this shall be charged at \$1.40 m<sup>3</sup>.

#### Water supply - other

For rating units located within any area shown on the rating maps 2592, 2595, 2589, 2591, 2587 or 2594 that have a non-metered water supply:

- A targeted rate on a uniform basis of \$438.05 for each separately used or inhabited part of a rating unit connected to the Council water supply.

- A targeted rate on a uniform basis of \$219.02 for each separately used or inhabited part of a rating unit that is not connected to Council's water supply being 50% of the total charge.

For rating units located outside any area shown on the rating maps described above that are serviceable but not connected to a Council water supply:

- A targeted rate on a uniform basis of \$219.02 for each rating unit being 50% of the total charge.

Rates expected to produce \$3,293,917 GST exclusive from uniform targeted rates, and \$315,625 GST exclusive from charges for water used in excess of allowances.  
(Pursuant to Section 16 and Section 19 of the Local Government (Rating) Act 2002)

## Wastewater disposal charge

For all rating units located within any area shown on the rating maps 2593, 2588, 2590 or 2586:

### Residential use:

- A targeted rate on a uniform basis of \$504.40 on each separately used or inhabited part of a rating unit with a residential use that has a water closet or urinal connected directly or through a private drain to a Council wastewater network.
- Not connected: A targeted rate on a uniform basis of \$252.20 on each separately used or inhabited part of a rating unit with a residential use that is not connected to a Council wastewater network. This is 50% of the total charge

### Schools:

- For land used as a school: A targeted rate on a uniform basis of \$337.95 on each water closet or urinal connected either directly or through a private drain to a Council waste water network. School has the same meaning as contained in Clause 6 of Schedule 1 of the Local Government (Rating) Act 2002 with the exception that residential

accommodation used by a school employee is not included. This is 67% of the total charge

### All other non-residential use:

A targeted rate on a uniform basis on each water closet or urinal connected either directly or through a private drain to a Council wastewater network, as shown below.

In respect of the first five pans and/or urinals within the rating unit, a targeted rate on a uniform basis of \$504.40 per pan. In respect of each pan and/or urinal within the rating unit in excess of five – a targeted rate on a uniform basis of \$403.52 per pan. This is 80% of the total charge.

Not connected: A targeted rate on a uniform basis of \$252.20 on each separately used or inhabited part of a rating unit that is not connected to a Council wastewater network. This is 50% of the total charge.

The rate is expected to produce \$4,385,229 GST exclusive.  
(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

## Stormwater charge

For all rating units located within any area shown on the rating maps 321, 319, 320 or 318:

A targeted rate for stormwater disposal of \$0.0003165 per \$ of the Rateable Capital Value. The rate is expected to produce \$559,792 GST exclusive.  
(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

## Waste collection charge

A targeted rate for waste collection to be charged on a uniform basis at \$203.04 for each separately used or inhabited part of a rating unit provided with a waste collection service. The rate is expected to produce \$1,449,938 (excluding GST).

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

## District recycling charge

A targeted rate for district recycling to be charged on a uniform basis at \$66.01 on each separately used or inhabited part of a rating unit in the District.

Rating units with an Improvements Value of \$10,000 or less will have a targeted rate of \$0.00. Improvements value is calculated as the capital value of the rating unit minus the land value of the rating unit.

The rate is expected to produce \$614,696 (excluding GST).

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

### Putāruru Business Promotions charges

Council rates for the Putāruru business promotions charge in two ways; on capital value and on a uniform charge. Each method collects half the funds required for this activity.

#### Targeted Rate on Capital Value:

- A targeted rate of \$0.000366 per dollar of the capital value of land on every separate rating unit located within the area shown in the Putāruru business rate area rating map.
- The targeted rate on capital value is expected to produce \$32,327 (excluding GST) for the promotion of the Putāruru business area.  
*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

#### Targeted Rate on a Uniform Basis:

- A targeted rate charged on a uniform basis of \$226.68 on every separate rating unit located within the area shown on the Putāruru business rate area rating map.
- Rating units with an improvements value of \$10,000 or less will have a uniform targeted rate of \$0.00. Improvements value is calculated as the capital value of the rating unit minus the land value of the rating unit.
- The targeted rate on a uniform basis is expected to produce \$32,327 (excluding GST) for the promotion of the Putāruru business area.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

### Tirau Ward charge

A targeted rate charged on a uniform basis at \$40.09 on every separate rating unit within the Tirau ward as defined on SWDC plan 2014. The rate

is expected to produce \$34,196 (excluding GST) for the activity of the Tirau Community Board and the provision of CCTV cameras.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

### Putāruru Ward charge

A targeted rate charged on a uniform basis at \$36.46 on every separate rating unit within the Putāruru ward as defined on SWDC plan 2014. The rate is expected to produce \$83,961 (excluding GST) for Putāruru promotion activities and the provision of CCTV cameras.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

### Tokoroa Ward charge

A targeted rate charged on a uniform basis at \$29.26 on every separate rating unit within the Tokoroa ward as defined on SWDC plan 2014. The rate is expected to produce \$150,626 (excluding GST) for Tokoroa promotion activities and the provision of CCTV cameras.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002).*

### Hall charges

A targeted rate on a uniform basis on every separate rating unit within the hall area as defined on the SWDC plan stated. The rates will be used for providing a hall in the respective area.

*(Pursuant to Section 16 of the Local Government (Rating) Act 2002)*

Hall Rating Area	Uniform Annual Charge GST Incl	Rate Expected to Produce GST Excl	SWDC Plan
Arapuni	\$ 105.75	\$ 15,448	2584
Lichfield	\$ 28.64	\$ 4,582	2584
Puketurua	\$ 93.01	\$ 8,978	2584
Piarere	\$ 14.19	\$ 950	2584
Tapapa-Okoroire	\$ 53.05	\$ 10,148	2584



<b>Upper Atiamuri</b>	\$ 247.33	\$ 7,097	2584
<b>Waotu</b>	\$ 57.10	\$ 6,256	2584

## Hall rating

Note that the Plaza in Putāruru and the Tirau Hall are funded through General Rates and the Uniform Annual General Charge.

## Clean Heat

A targeted rate charged on a uniform basis as show in the table below, based on the extent of service provided. The rate is calculated as cents per dollar (a percentage) of the initial cost of providing the service to a property and is charged for 9 years. Different rates apply to a property depending on the rating year in which the clean heat rate starts / started. The rate is expected to produce \$200,000 (excluding GST).

First year rated	Final rating year	Rate
2021-22	2029-30	12.44248
2020-21	2028-29	12.58110
2019-20	2027-28	12.72321
2018-19	2026-27	12.86891
2017-18	2025-26	13.01825
2016-17	2024-25	13.17134
2015-16	2023-24	13.32829
2014-15	2022-23	13.48921
2013-14	2021-22	13.65410

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

The Clean Heat targeted rate applies to services that have been provided under Councils 'Heat Swap', 'Buy Now Pay Later' and 'Split the Bill' schemes.

## Due dates for payment of rates

Instalment No	Period	Invoice Date	Date for last day of payment (before penalties apply)
1	Jul – Sept 2021	1 August 2021	7 September 2021
2	Oct – Dec 2021	1 November 2021	7 December 2021
3	Jan – Mar 2022	1 February 2022	7 March 2022
4	Apr – June 2022	1 May 2022	7 June 2022

## Additional charges (penalties)

An additional charge of 10% is to be added to all rates levied in respect of the 2021-22 financial year and which, although due, remain unpaid on the following dates:

Instalment No 1	7 September 2021
Instalment No 2	7 December 2021
Instalment No 3	7 March 2022
Instalment No 4	7 June 2022

A further additional charge of 8% is to be added to all rates levied in any financial year prior to the 2021-2022 financial year and which remain unpaid on 7 December 2021.

A further additional charge of 8% is to be added to all rates levied in any financial year prior to the 2021-2022 financial year and which remain unpaid on 7 June 2022.

*(Pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002)*

average property value. The residential examples assume a property a single dwelling with all services such as water supply, wastewater and refuse collection. The farm and lifestyle examples assume a property with none of these services with the lifestyle property example assuming one dwelling only.

### **Due dates for payment of invoices for metered water rates**

Invoices for rates relating to water consumed in excess of allowances as detailed in section 1.5 Water Supply will be issued separately on 31 August 2021, 30 November 2021, 28 February 2022 and 31 May 2022, with due dates for payment of 20 September 2021, 20 December 2021, 21 March 2022 and 20 June 2022 respectively.

### **Payment of rates**

Rates shall be payable at any of the following locations:

Tokoroa Office, Torphin Crescent, Tokoroa.

Putāruru Office, Overdale Street, Putāruru.

Tīrau Information Centre (The Dog), Main Road, Tīrau

Payment may also be made electronically via: Direct credit via the ratepayer's banks Bill Payments system (we are pre-registered with all major banks), or by direct credit to Council's bank: BNZ 02 0464 0103382 00 (ensuring property valuation number or water account number is referenced), or by credit card (Visa or Mastercard) via Council's website ([www.southwaikato.govt.nz](http://www.southwaikato.govt.nz)).

### **Rates examples**

Detailed below are rate calculation examples for residential, farm and lifestyle properties. Please note that these are examples only using an