

# Revenue and financing policy

## Introduction

MDC's Revenue and Financing Policy has been revised pursuant to section 101(3) and section 103 of the Local Government Act 2002 (LGA).

The basis of the policy has evolved over 20 years and was first adopted (as the Funding Policy) following public consultation in 1997. It has been reviewed and revised every three years since then. As part of the 2018-2028 LTP development, we have again reviewed and made amendments to the policy in accordance with the LGA and the Local Government (Rating) Act.

This policy was subject to public consultation. The key changes to the policy were summarised in the 2018-28 LTP Consultation Document.

## Purpose

MDC provides a range of services to the people who reside in the Masterton district. We budget for the cost of providing those services and this policy sets out where the revenue will come from to pay for them.

Revenue comes from a number of external sources, including NZ Transport Agency (NZTA) roading subsidies and user charges for some services. Many MDC services have a public good component where no equitable charge can be made based on usage. We have the ability within the Local Government (Rating) Act to charge property rates to recover the cost of those services. This policy sets out the basis on which those property rates are set.

## Rating base

Listed below are the population, property and valuation figures of the Masterton district as at 30 June 2017.

Masterton Population (usually resident – Statistics NZ estimate 2017)

Rural	5,530	22%
Urban	19,670	78%
<b>Total</b>	<b>25,200</b>	(4.1% increase over 3 years)

Area: 229,500 ha (urban area = 1,796 ha)

Rateable Properties		Separately Rateable Units	
Rural	3,881	Rural	3,745
Urban	8,564	Urban	9,205
<b>Total</b>	<b>12,445</b>	<b>Total</b>	<b>12,950</b>

Rateable valuations (September 2017)

			Change over 3 years*
Land value	Rural	\$1,802 million	+18.5%
	Urban	\$1,224 million	+29.0%
	<b>Total</b>	<b>\$3,026 million</b>	<b>+22.3%</b>
Capital value	Rural	\$2,798 million	+19.1%
	Urban	\$3,009 million	+32.5%
	<b>Total</b>	<b>\$5,807 million</b>	<b>+25.7%</b>

\*As a result of 2017 revaluation

## Policy review

### Section 101(3)

MDC has reconsidered the funding of each of 40 sub-activities in the context of the requirements of sections 101 (3) of the LGA. Consideration has been given to:

- » the community outcomes to which the activity relates;
- » whether any user pays principles should be applied;
- » whether intergenerational equity is a factor in funding;
- » if an exacerbator pays principle applies; and
- » the costs and benefits of funding the activity distinctly.

A second step was then applied – the consideration of the effects of applying the theoretical funding policies of step one, with the ability to modify for reasons of fairness, legality and practicality. The process has sought to apply economic principles of matching the costs of a service with the beneficiaries of a service, then modifying the allocation where appropriate, and choosing the funding mechanism that best suits MDC's analysis.

Where services can be identified as having a direct private benefit and a recovery means is economic, user charges have been set to recover the value of that benefit. A summary of this analysis is available as a separate document – Funding Policy Sec 101(3) Consideration.

### *External revenue*

After external revenue, borrowing and use of MDC reserves and depreciation funding, the balance of the funding comes from the ability of MDC to charge Property Rates to fund its services. It is the allocation of these rates which forms the basis of a large part of the Revenue and Financing Policy.

In the Activity Statements section (see page 67), tables that clearly show the costs and sources of funding for each activity are provided. User charges have been reviewed in all areas of MDC activities and increases are proposed in order to maintain relativity between user charge funding and rates in an inflationary environment where MDC's costs are increasing.

Modest rent increases are proposed on rental accommodation. Some higher fees are proposed in the regulatory area. Refuse bag prices will increase to ensure the costs of the service are paid by the users of the service. Waste charges at the transfer station will be held the same as 2017-18 as current charges are recovering at least 100% of the costs of the transfer station operation. Any surplus will cross subsidise the recycling operation costs.

A change has been made to the funding policy for Animal Services so that 15% of costs will be rates-funded (previously 10%).

In the Senior Housing activity, MDC will continue to allow for up to 5% of operating costs to be funded from rates.

### *Rating policy*

There has been no comprehensive review of the rating system done for the 2018-28 LTP development process, as the prospect of amalgamating the three Wairarapa councils in 2018-19 was a potential outcome of a process being run by the Local Government Commission. Any rating changes would have changed again, on amalgamation, when viewed in the wider Wairarapa context.

The public poll has delivered 'no change' with respect to amalgamation. In light of that, MDC considers the current policy to be stable and equitable, with room for some small adjustments in response to recent district revaluation effects. A full rating review will be completed before the 2021-31 LTP.

The rating system is based on the premise that costs of services are first allocated between urban and rural wards and then targeted rates are set in those wards. No General Rate is applied across all properties in the district, so all rates become targeted rates. For those costs that are applied across the district, an effective differential is achieved using the urban/rural allocations. Allocation bases (between the wards) include the current population split, the ward or targeted area in which the service is available and locality of roading expenditure.

There has been a review and consideration of the level of uniform charges, the appropriateness of land value or capital values as the basis of allocating the cost of particular services, and the appropriateness of the current differential ratio applied to non-residential urban properties.

### *Policy changes discussion*

Three changes were proposed and have been adopted. Two are related to the cost allocation ratios between urban and rural wards. The third is changing the ratio of urban water and wastewater costs between rating tools.

1. Representation costs will be allocated on population split (78% urban / 22% rural). Previously this was 80/20 based on one rural councillor to four urban councillors. MDC believe all Councillors effectively represent all ratepayers so the cost allocation should represent the population. The financial impact is minor.
2. A ratio change was proposed in the allocation of Subsidised Roothing costs between urban and rural wards, consistent with the policy of using locality of expenditure, as described above. The figures have changed in line with the newly planned expenditure levels per ward. In Years 1 to 3 an average of 25% of the subsidised roading programme will be spent in the urban ward and 75% in the rural ward. The previous split was 29/71. The new split is proposed to apply from 2018-19. This change moves approximately \$208,000 of subsidised roading costs (2018-19) from urban properties to rural properties, resulting in an average 2.7% rates increase in the rural ward and -0.8% rates decrease in the urban ward.

3. A ratio change was proposed in the allocation of Masterton Urban Water and Wastewater rates between targeted charges and capital value rates. The current policy allocates 40% of the costs to be funded by way of targeted uniform charges on each property connected, and 60% by way of capital value rates. This ratio is proposed to be changed to 25% targeted charges and 75% capital value rates. MDC has determined that 25% better reflects the community's ability to pay. The effect of this change is to move \$1.7 million or 6.5% of urban rates from targeted charges to rates based on the capital value of properties.

#### *Rating valuations*

We also considered the effects of the revaluation of all properties, effective from September 2017. The previous policy resulted in an allocation of 67% of MDC's rates requirement based on property values. The values are assessed by Quotable Value NZ Ltd and the three-yearly revaluation process is subject to audit by the Office of the Valuer General.

The 2017 revaluation has resulted in value increases for urban residential properties, with higher percentage changes on lower to average value properties. Capital value increases for urban residential properties have averaged 29% since the last revaluation, but many low value properties have seen increases of between 30% and 60%.

Without any policy changes, applying these value changes will result in rates increases to low and average value residential properties of (on average) over 10%.

In the rural area value increases have been more modest, but some variation has been seen with lifestyle and beach properties moving up more (percentage-wise) than farming properties. Urban non-residential (or commercial) properties have had increases of around 10% which is well below the average increase.

Below is a summary of property rates movements after combining the effects of the policy changes (noted above), the rating revaluations and the 2018-19 proposed rates required which average 4.8% after growth in the rating base:

- » Urban residential properties will pay (on average) increased rates of 5%
- » Large variations will result where valuation changes vary away from the average changes.
- » Rural farm properties can expect increases averaging 3.5% to 4.5%
- » Rural lifestyle properties have had valuation increases above the rural average, so can expect rates increases in excess of 10%
- » Beach properties can expect increases of around 5.5% but large variations as a result of some high valuation increases will see some increases in double figures for some properties.

While considering its Revenue and Financing Policy, MDC has been aware of, and has looked to counter some of the effects of valuation changes, particularly as they effect low value residential properties. See note 3 in the policy changes discussion above.

#### *Policy changes summary*

There are two factors influencing changes to the MDC's Revenue and Financing Policy.

1. The 2017 revaluation of the district will reallocate rates depending on the value changes on each individual property; and
2. A review has been done of the allocation basis which under-pins the rating policies. Of particular note are the following:
  - The allocation of costs on a population basis will change to the new population split of 78% urban/22% rural, (previously 77.8%/22.2%) this being based on the latest Statistics New Zealand estimate of Masterton district's population.
  - The subsidised roading allocation of costs between rating wards has moved from 29/71 to 25/75 (urban/rural) as described above.
  - The Masterton urban water and wastewater targeted charges will be set to recover 25% of the costs of the two services. Previously this was set at 40%. The balance will be recovered by way of the capital value rates.

The change in water and wastewater rates allocation will result in \$1.7 million being moved from being rated as part of the targeted charges, to being part of the rates based on capital values. That is 6.5% of total urban rates moved to a capital value basis.

## User pays

The Revenue and Financing Policy review identified a level of user charges generally consistent with the previous policy. Each activity statement in the LTP contains a statement of how the activity will be funded. Where MDC's analysis of the degree of private good can be applied (i.e. requiring those individuals who receive a service, pay directly for all or some portion of the service), then user-pays is the initial funding source.

The following areas are the key sources of user charges and external revenue needed to meet the policy targets:

- » Resource consent fees;
- » Building consent fees (incl plumbing and drainage fees);
- » Sports field charges and rents;
- » Property rents;
- » Library charges and recoveries;
- » Mawley Holiday Park revenue;
- » Airport landing fees and leases;
- » Parking meter fees and fines;
- » Dog registration fees (85% from dog owners)
- » Refuse transfer station and composting user charges;
- » Waste levy;
- » Refuse collection recoveries (via bag sales);
- » Hall hireage income;
- » Water and sewer connection recoveries;
- » Water meter charges (outside urban boundary);

- » Trade waste charges;
- » Rooding subsidies from NZ Transport Authority;
- » Local petrol tax; and
- » Cost recovery charges (eg GWRC rates collection, Carterton and South Wairarapa District Council shared services).

## Overall mix of rates types

The prior year (2017-18) Rating Policy mix can be summarised in the table below.

Rates Type	Urban	Rural
Targeted Uniform Charges*	14.0%	35.1%
Services Charges	17.4%	6.4%
Land Value Rates	9.6%	35.8%
Capital Value Rates	59.0%	22.7%

\*Overall % of targeted uniform charges to total rates 18.9%

Urban differential on value-based rates on non-residential properties = 2 times.

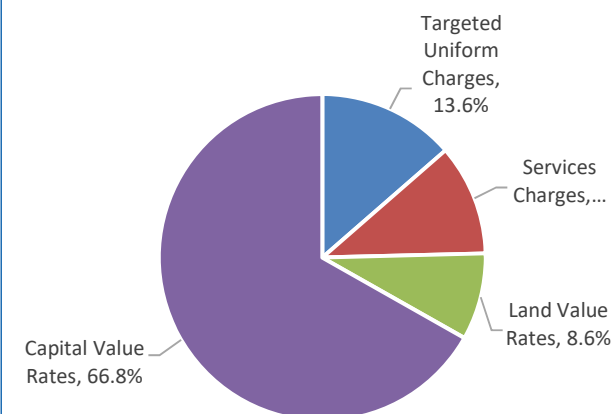
After incorporating the changes noted above, new rating values, growth in the rating base, and the proposed rates required for Year 1 (2018-19), the rating mix is summarised as follows (subject to rounding).

Rates Type	Urban	Rural
Targeted Uniform Charges*	13.7%	34.4%
Services Charges	10.9%	6.1%
Land Value Rates	8.6%	36.1%
Capital Value Rates	66.8%	23.4%

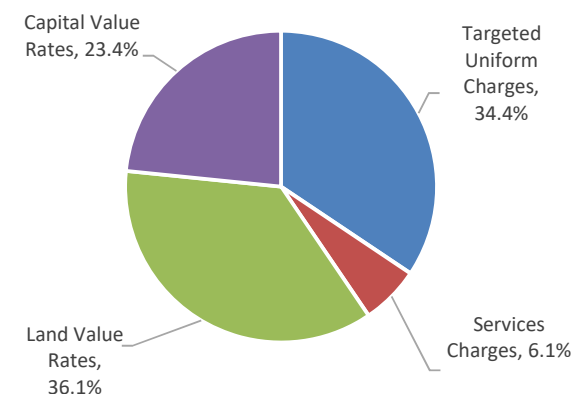
\*Overall % of targeted uniform charges to total rates 18.6%

Urban differential on value-based rates on non-residential properties = 2 times.

Urban rates mix (2018-19)



Rural rates mix (2018-19)



### Targeted rates, uniform and service charges

MDC will continue having no 'General Rate', instead using targeted rates and targeted uniform charges for each of the urban and rural rating wards to fund the costs of services allocated to those wards.

In addition, targeted services charges will be used to charge properties connected or able to receive a specific service. The general effect of the targeted charges is to reduce the component of either land or capital value rates on the higher value properties and raise the minimum level of rates for lower value properties.

The Local Government (Rating) Act 2002 places a restriction of 30% maximum of Uniform General Charges to total rates income. Although there are no Uniform General Charges in MDC's rating policy, the targeted uniform and roading charges can be considered equivalent.

### Urban differential – non-residential

MDC has determined that, in general, public services provide more benefits to the urban non-residential sector (i.e. commercial) than to residential.

The effect of the high percentage of uniform and services charges is recognised as regressive - it reduces the impact on higher valued properties. A multiplier of 2.0 will be applied on each of the separate and targeted rates assessed on land and capital values. The effect will be to increase the percentage of rates paid by urban non-residential properties from 11.6% to 16.7% of total rates and 13.5% to 22.0% of urban rates.

	Urban	Rural
<b>Targeted Rates (differentiated between urban/rural wards based on cost allocations)</b>		
Targeted Land Value (roading) rate	✓	✓
Targeted LV water rates		✓
Targeted Capital Value rates	✓	✓
<b>Targeted Uniform Charges (differentiated between urban/rural wards based on cost allocations)</b>		
Targeted Uniform Charge	✓	✓
Targeted Roading Charge	✓	✓
<b>Other Targeted Services Charges</b>		
Urban Water Supply Charge	✓	
Urban Wastewater System Charge	✓	
Recycling Collection Charge	✓	✓*
Wastewater Treatment Charge**		✓
Castlepoint Sewerage Charge		✓
Riversdale Beach Sewerage Charge (connected)		✓
Riversdale Beach Sewerage Charge (serviceable)		✓
Beach (Refuse and Recycling) Collections Charge		✓
Tinui Water Supply Charge		✓
Tinui Sewerage Charge		✓

\* Charged in the rural periphery where MDC is prepared to offer the collection service.

\*\* This charge will apply to those properties, particularly on the urban periphery, where septic tank overflow is piped into the urban sewer network. It is applied on a 'residential equivalents' (RE) basis where one RE equals 600 cubic metres of liquid effluent per day.

Urban non-residential properties make up 14.6% of the capital value of the urban ward. Combined with targeted charges, the effective differential is 1.5 times the capital value of non-residential properties.

### Urban/rural allocation basis

The tables on the two pages which follow summarise both the urban/rural split of the rating incidence and the proposed rate types to fund the activities. The allocation between urban and rural rating areas is clear where the area of benefit for a service can be confined to one rating area (e.g. water supplies, wastewater systems). Other services that benefit the whole district have been split between wards by a population-based criterion, a valuation-based criterion or an estimate of where the benefit falls.

The allocation of rates between the two rating areas has been modified by MDC from that of a pure number of properties approach or a pure valuation based approach. The relationships between the urban and rural areas are relevant where there is an overlap in the areas of benefit, or where the use of the service cannot be limited to specific areas. MDC's intention is to allocate costs based on reflecting usage of, or access to, MDC services.



MDC has taken into account the following ratios:

	Urban	Rural
Population	78%	22%
	(19,670)	(5,550)

The allocation ratios have been applied as follows:

- » Population – 78:22 (urban:rural). For services where the funding policy suggests the areas of benefit relate to significant levels of private benefit, but are not met by user charges or are services with the demands being relevant to people-based services, rather than property-based services, the population ratio has been selected as the most appropriate method of allocation between wards.

Services allocated via population include:

- » Regulatory services
- » Emergency management/civil defence
- » Archive, airport, forestry
- » Waste minimisation
- » Community development
- » Economic development
- » District building and other property
- » Cemeteries
- » Public conveniences
- » Refuse transfer station and recycling
- » Parks and recreation
- » Library
- » Sportsfields

- » Arts and culture
- » Representation – 78:22 (urban:rural). For representation costs not allocated through the governance overheads and based on the population being represented.
- » Land Value – 40:60 (urban:rural) and Capital Value – 52:48 (urban:rural). While no district-wide services are allocated between the urban and rural rating areas on the basis of district wide land or capital value, the ratios are shown for comparison purposes.
- » Subsidised Roothing – 25:75 (urban:rural). This reflects where the subsidised roading programme expenditure is expected to be spent in the coming three years and reflects the approximate split between wards of the programme. This ratio may be subject to change outside of the LTP years, if roading expenditure varies from the LTP in any subsequent Annual Plan.
- » Solid Waste – 78:22 (urban:rural). Used for the allocation of the residual cost of solid waste management (after user pays income) - Nursery Road transfer station, recycling and composting. This allocation recognises that all residents have equal access to the solid waste services that are being funded by way of general rates, and that rural people will use and therefore benefit from the services at Nursery Road.
- » Solid Waste (rural) – 10:90 (urban:rural). For the allocation of rural waste management costs (rural transfer stations) recognising that rural ratepayers will be paying a share of Nursery Road operating costs, so urban carries a share of rural costs. A new targeted rate on beach properties recovering a

proportion of waste collection costs will reduce the share carried by all other rural properties.

- » Rural Halls – 5:95 (urban:rural). For the allocation of the costs of rural halls and holding paddocks, recognising some 'district benefit' in MDC supplying these facilities.

### **Funding of capital expenditure**

MDC's policy with regard to the funding of capital expenditure is to:

- » Fund roading renewal expenditure from NZTA subsidies and annual rates.
- » Fund other replacement assets from depreciation reserve funds to the extent that those funds are available. Where depreciation reserves are insufficient, loan funding may be used.
- » Fund assets which increase levels of service by borrowing/loans.
- » Fund assets needed because of growth, from developers, either by the developer providing the infrastructure or by them making financial contributions at the outset of the development.

**REVENUE & FINANCING POLICY - SUB-ACTIVITY FUNDING ANALYSIS SUMMARY**

Activity	Theoretical Funding Analysis		Operational Funding Analysis		Comment	2018/19	Ward Allocation				Basis of urban/rural
	Public	Private	Public	Private		RATES REQ. GST Incl.	Urban %	Rate Type	Rural %	Rate Type	
Representation	100%	0%	60%/40%	0%	40% internally allocated as overheads	750,851	78.0%	CV	22.0%	CV	Population
Community Development	80%	20%	100%	0%		1,331,775	78.0%	CV	22.0%	CV	Population
Arts & Culture	50%	50%	100%	0%		558,827	78.0%	CV	22.0%	CV	Population
Economic Development	50%	50%	100%	0%		1,141,678	78.0%	CV	22.0%	CV	Population
Parks, Reserves & Sportsfields	80%	20%	95%	5%	Low level of user charges	2,824,925	78.0%	CV	22.0%	TU Chrg	Population
Recreation Centre	50%	50%	70%	30%	External revenue to facility manager	1,075,190	78.0%	TU Chrg	22.0%	TU Chrg	Population
Cemetries	20%	80%	40%	60%	Burial fees & sale of plots	102,515	78.0%	CV	22.0%	TU Chrg	Population
District Building	40%	60%	60%	40%	Hall hire & internal rents	859,526	78.0%	CV	22.0%	CV	Population
Housing for the Elderly	0%	100%	5%	95%	Rentals set below market	46,907	78.0%	CV	22.0%	CV	Population
Other Property	0%	100%	20%	80%	Rentals	305,181	78.0%	CV	22.0%	CV	Population
Public Conveniences	80%	20%	100%	0%		353,571	78.0%	CV	22.0%	CV	Population
Rural Halls	80%	20%	95%	5%	Hall hire & internal rents	114,609	5%	CV	95%	CV	Location of service
Mawley Park	10%	90%	25%	75%		114,214	78.0%	CV	22.0%	CV	Population
Library	70%	30%	92%	8%	Recoveries	1,816,973	78.0%	TU Chrg	22.0%	TU Chrg	Population
Archives	90%	10%	95%	5%	Recoveries	405,836	78.0%	TU Chrg	22.0%	TU Chrg	Population
Forestry	40%	60%	40%	60%	Internal charge to roading	25,502	78.0%	TU Chrg	22.0%	TU Chrg	Population
Airport	20%	80%	35%	65%		205,918	78.0%	CV	22.0%	CV	Population
Resource Mgmt & Planning	80%	20%	85%	15%	Consent fees income	892,020	78.0%	CV	22.0%	CV	Population
Environmental Health	30%	70%	35%	65%	Largely internal recoveries	471,223	78.0%	CV	22.0%	CV	Population
Building Inspection	10%	90%	15%	85%	Consent fees income	380,809	78.0%	CV	22.0%	CV	Population
Dog Control	40%	60%	15%	85%	Dog fees	84,100	78.0%	TU Chrg	22.0%	TU Chrg	Population
Parking Control	0%	100%	0%	100%	Meters & fines, offsets Econ Dev	(57,606)					
Emergency Mgmt/CD	100%	0%	100%	0%		247,141	78.0%	CV	22.0%	CV	Population
Urban Water supply	40%	60%	25%	75%	Targeted charge & CV rate	3,589,087	100%	25% TUChrg/75% CV	0%		Location of service
Rural Water supplies	0%	100%	0%	100%	Targeted rates	67,687			100%	Targeted rates & chrgs	Location of service
Other rural water services	100%	0%	100%	0%		46,276			100%	CV	Location of service
Urban Wastewater system	40%	60%	25%	75%	rate	7,805,868	100%	25% TUChrg/75% CV	0%		Location of service
Stormwater	100%	0%	100%	0%	Urban area only	568,728	100%	CV	0%		Location of service
Castlepoint sewerage	0%	100%	0%	100%	Targeted charge	73,964	0%		100%	Targeted chrg	Location of service
Riversdale Beach sewerage	20%	80%	0%	100%	Targeted charge	264,090	0%		100%	Targeted chrg	Location of service
Tinui sewerage (operating)	0%	100%	0%	100%	Targeted charge	13,747	0%		100%	Targeted chrg	Location of service
Refuse collection	0%	100%	0%	100%	Via refuse bag sales	-	100%	CV	0%	CV	Location of service
Refuse disposal	10%	90%	10%	90%	User charges (gate fees)	(60,737)	78.0%	CV	22.0%	CV	Population
Recycling kerbside collection	0%	100%	0%	100%	Targeted charge (TUC, serviced rating units)	534,424	100%	TUChrg	0%		Location of service
Recycling & composting	30%	70%	70%	30%	Composting gate charges	390,661	78.0%	CV	22.0%	CV	Population
Rural refuse	0%	100%	90%	10%	Rural Tsf Stn gate fees	267,857	10%	CV	90%	TUChrg/Targeted beach Chrg	Location of service
Subsidised Roothing	30%	70%	30%	70%	rate	5,316,116	25%	30% TU Chrg/70% LV	75%	30% TU Chrg/70% LV	Location of service
Non-subsidised roading urban	20%	80%	20%	80%	Roothing LV rate	1,336,168	100%	LV	0%		Location of service
Non-subsidised roading rural	30%	70%	30%	70%	Roothing TU chrg & LV rate	221,033	0%		100%	30% TU Chrg/70% LV	Location of service
<b>Total</b>						<b>\$ 34,486,655</b>					

= changed allocation from previous policy

\*TU Chrg = Targeted Uniform Charge

# REVENUE & FINANCING POLICY - Allocation Table

The table below is a summary of how the 2018/19 Rates Requirement is allocated based on the 2018 Revenue & Financing Policy.

Index C Targeted uniform charge (TUC)  
CV Capital value rate LV Land value rate

Allocations 2018/19 Allocation				Notes	URBAN RATES			RURAL RATES			TOTAL	
Urban	Rural	Urban	Rural		Type	Rate Name	Amount	Type	Rate Name	Amount		
78.0%	22.0%	\$ 585,664	\$ 165,187		CV	Representation & Development	\$ 585,664	CV	Representation & Development	\$ 165,187	\$ 750,851	
78.0%	22.0%	\$ 1,038,784	\$ 292,990	4	CV	Representation & Development	\$ 1,038,784	CV	Representation & Development	\$ 292,990	\$ 1,331,775	
78.0%	22.0%	\$ 435,885	\$ 122,942		CV	Representation & Development	\$ 435,885	CV	Representation & Development	\$ 122,942	\$ 558,827	
78.0%	22.0%	\$ 845,576	\$ 238,496		CV	Representation & Development	\$ 845,576	CV	Representation & Development	\$ 238,496	\$ 1,084,072	
78.0%	22.0%	\$ 2,203,441	\$ 621,483		CV	Civic Amenities rate	\$ 2,203,441	C	TUC	\$ 621,483	\$ 2,824,925	
78.0%	22.0%	\$ 838,648	\$ 236,542		C	TUC	\$ 838,648	C	TUC	\$ 236,542	\$ 1,075,190	
78.0%	22.0%	\$ 79,962	\$ 22,553		C	Civic Amenities rate	\$ 79,962	C	TUC	\$ 22,553	\$ 102,515	
78.0%	22.0%	\$ 670,430	\$ 189,096		CV	Sundry facilities rate	\$ 670,430	CV	Sundry facilities rate	\$ 189,096	\$ 859,526	
78.0%	22.0%	\$ 238,041	\$ 67,140		CV	Sundry facilities rate	\$ 238,041	CV	Sundry facilities rate	\$ 67,140	\$ 305,181	
78.0%	22.0%	\$ 275,786	\$ 77,786		CV	Sundry facilities rate	\$ 275,786	CV	Sundry facilities rate	\$ 77,786	\$ 353,571	
5.0%	95.0%	\$ 5,730	\$ 108,878	5	CV	Sundry facilities rate	\$ 5,730	CV	Sundry facilities rate	\$ 108,878	\$ 114,609	
78.0%	22.0%	\$ 36,588	\$ 10,320		CV	Sundry facilities rate	\$ 36,588	CV	Sundry facilities rate	\$ 10,320	\$ 46,907	
78.0%	22.0%	\$ 89,087	\$ 25,127		CV	Sundry facilities rate	\$ 89,087	CV	Sundry facilities rate	\$ 25,127	\$ 114,214	
78.0%	22.0%	\$ 1,417,239	\$ 399,734		C	TUC	\$ 1,417,239	C	TUC	\$ 399,734	\$ 1,816,973	
78.0%	22.0%	\$ 316,552	\$ 89,284		C	TUC	\$ 316,552	C	TUC	\$ 89,284	\$ 405,836	
78.0%	22.0%	\$ 160,616	\$ 45,302		CV	Civic Amenities rate	\$ 160,616	CV	Sundry facilities rate	\$ 45,302	\$ 205,918	
78.0%	22.0%	\$ 695,776	\$ 196,244		CV	Regulatory services rate	\$ 695,776	CV	Regulatory services rate	\$ 196,244	\$ 892,020	
78.0%	22.0%	\$ 664,585	\$ 187,447		CV	Regulatory services rate	\$ 664,585	CV	Regulatory services rate	\$ 187,447	\$ 852,032	
78.0%	22.0%	\$ 65,598	\$ 18,502		C	TUC	\$ 65,598	C	TUC	\$ 18,502	\$ 84,100	
78.0%	22.0%	\$ 192,770	\$ 54,371		CV	Regulatory services rate	\$ 192,770	CV	Regulatory services rate	\$ 54,371	\$ 247,141	
100.0%	0.0%	\$ 3,589,087	\$ -		C/CV	Water supply rate and Charge	\$ 3,589,087				\$ 3,589,087	
0.0%	100.0%	\$ -	\$ 54,926					LV	Opaki water race	\$ 54,926	\$ 54,926	
0.0%	100.0%	\$ -	\$ 12,761					C	Tinui water supply charge	\$ 12,761	\$ 12,761	
0.0%	100.0%	\$ -	\$ 46,276					CV	Sundry facilities rate	\$ 46,276	\$ 46,276	
100.0%	0.0%	\$ 7,805,868	\$ -		C/CV	Sewerage rate & Charge	\$ 7,805,868				\$ 7,805,868	
100.0%	0.0%	\$ 568,728	\$ -		CV	Sundry facilities rate	\$ 568,728				\$ 568,728	
0.0%	100.0%	\$ -	\$ 73,964					C	Castlepoint sewerage charge	\$ 73,964	\$ 73,964	
0.0%	100.0%	\$ -	\$ 264,090					C	Riversdale sewerage charges	\$ 264,090	\$ 264,090	
0.0%	100.0%	\$ -	\$ 13,747					C	Tinui sewerage charges	\$ 13,747	\$ 13,747	
100.0%	0.0%	\$ 534,424	\$ -		C	Kerbside recycling charge	\$ 534,424				\$ 534,424	
78.0%	22.0%	\$ 257,341	\$ 72,583		CV	Sundry facilities rate	\$ 257,341	CV	Sundry facilities rate	\$ 72,583	\$ 329,925	
10.0%	90.0%	\$ 26,786	\$ 241,071	7	CV	Sundry facilities rate	\$ 26,786	C	TUC	\$ 241,071	\$ 267,857	
25.0%	75.0%	\$ 1,329,029	\$ 3,987,087	6	LV/C	Roading rate and Charge	\$ 1,329,029	LV/C	Roading rate and Charge	\$ 3,987,087	\$ 5,316,116	
100.0%	0.0%	\$ 1,336,168	\$ -		LV	Roading rate	\$ 1,336,168				\$ 1,336,168	
0.0%	100.0%	\$ -	\$ 221,033					LV/C	Roading rate and Charge	\$ 221,033	\$ 221,033	
\$ 26,324,081 \$ 8,162,574				Total	<b>2018/19 Total</b> \$ <b>26,324,081</b>			<b>2018/19 Total</b> \$ <b>8,162,574</b>			\$ <b>34,486,655</b>	
				Actual - 2017/18 Annual Plan	\$ 24,966,883			Actual - 2017/18 Annual Plan			\$ 7,591,208	\$ 32,558,091
				Other increases	\$ 1,357,198			Rural sewerage & water race changes			\$ (9,619)	\$ (9,619)
				Net Increase (before growth)	\$ 1,357,198			Other increases			\$ 580,985	\$ 1,938,183
				Estimated effect of growth in rating base	\$ 331,896			Net Increase (before growth)			\$ 571,366	\$ 1,928,564
				% Change (after growth)	<b>4.1%</b>			Estimated effect of growth in rating base			\$ 52,334	\$ 384,230
								% Change (after growth)			<b>7.0%</b>	<b>4.8%</b>

## Notes

- The above rates include GST at 15% and allowance for rates penalty income and rates remissions.
- Specific rural water & sewer schemes rates are applied only to those properties serviced by the schemes.
- Land and capital value rates in the Urban Rating Area are subject to the differential described in the funding plan.
- Urban/Rural population split is 77.8/22.2 (as per StatsNZ census 2013).
- Rural halls charge of 95% to rural area, to charge ward where largest portion of benefit arises.
- Subsidised roading urban/rural split is based on expected spend in each ward.
- Rural solid waste costs charged largely in the ward they are incurred.