

FUNDING IMPACT STATEMENT

The Funding Impact Statement is required to include the information set out in clause 10 of Part 1 of Schedule 10 of the Local Government Act 2002 and sections 13 to 19 of the Local Government Rating Act.

Revenue and Financing Mechanisms

Council has decided to use the following revenue and financing mechanisms to cover the estimated expenses for each financial year covered by the plan. In relation to each year covered by the plan, there is an indication of the level or amount of funds to be produced by each mechanism.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
(thousands)	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Revenue Mechanisms										
General Rates	28,960	29,511	29,952	30,603	31,211	31,888	32,520	33,226	33,885	34,619
Uniform Annual General Charge	7,698	7,845	7,962	8,135	8,296	8,476	8,645	8,832	9,007	9,203
Less council rates	(737)	(740)	(740)	(709)	(710)	(710)	(710)	(711)	(711)	(711)
Refuse Rate	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351	1,351
Sewerage Rates	7,060	7,632	7,641	7,710	7,776	7,846	7,846	7,616	7,616	7,687
Water Rates	2,333	2,405	2,451	2,521	2,570	2,642	2,693	2,769	2,824	2,903
Less RDC Water Rates	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)	(125)
Rural Water Sewerage Rates	-	1,554	954	2,163	1,790	2,657	2,657	2,657	2,657	2,657
Total from Rating Mechanisms	46,540	49,433	49,446	51,649	52,159	54,025	54,877	55,615	56,504	57,584
Development Contributions	0	500	0	500	0	500	0	500	0	500
Fees and Charges	12,311	12,741	13,359	13,086	13,403	15,499	13,618	13,535	13,737	13,619
Water by Meter	2,347	2,407	2,450	2,511	2,556	2,619	2,665	2,730	2,730	2,846
Financial Recoveries	256	294	346	382	382	382	382	382	382	382
Interest and Dividends	897	500	459	460	461	460	462	462	463	463
Licence Fees	1,886	1,720	1,629	1,738	1,648	1,477	1,483	1,469	1,479	1,487
Petrol Tax	660	660	660	660	660	660	660	660	660	660
Resource Management Contributions	557	557	557	557	557	557	557	557	557	557
Subsidies and Grants	16,275	9,258	9,081	13,342	8,357	4,906	4,124	3,698	3,847	3,858
Vested Assets	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650
Other Revenue Sources	36,839	30,287	30,191	34,886	29,674	28,710	25,601	25,643	25,505	26,022
Total Revenue Funding Mechanisms	83,379	79,720	79,637	86,535	81,833	82,735	80,478	81,258	82,009	83,606
Financing Mechanisms										
Debt (Net Funding)	25,785	9,524	4,560	6,367	6,806	(412)	(1,994)	(5,735)	(5,616)	(7,375)
Sale of assets	737	2,022	2,230	397	197	219	197	284	148	148
Sinking funds	3,585	999	0	0	0	0	0	0	0	0
Net Council Created and Restricted Reserves	670	257	(29)	(26)	(25)	(27)	(33)	(33)	(36)	211
Collection of Advances	4,465	82	80	72	65	65	65	60	60	60
Transfer equity	5,626	0	0	0	0	0	0	0	0	0
Rates Funding from previous year	543	0	0	0	0	0	0	0	0	0
Total Funding From Financing Mechanisms	41,411	12,884	6,841	6,810	7,043	(155)	(1,765)	(5,424)	(5,444)	(6,956)
Total Revenue and Financing Mechanisms	124,790	92,604	86,478	93,345	88,876	82,580	78,713	75,834	76,565	76,650

Rates set for 2004/2005

Council has set the following rates, pursuant to the Local Government (Rating) Act 2002, for the 2004/2005 rating year:

- A uniform annual general charge;
- A differential general rate;
- Targeted rates for water supplies;
- Targeted rates for sewage disposal;
- Targeted rates for refuse collection;

Uniform Annual General Charge

Council has set a uniform annual general charge for each rating unit.

The amount to be collected is \$7,845,000.

The uniform annual general charge has been set at a fixed amount per rating unit approximately 70% of the maximum allowed, excluding metered water from the calculation.

2004/2005	\$385.00
2003/2004 was	\$373.00

General Rates

Council has set a general rate on land value on a differential basis.

The amount to be collected is \$29,511,000.

The general rate will be collected from ten differential rating categories (three differential rating groups).

The definitions for these categories are in the Rating Policy.

		Rate per \$ of land value
Residential rating group		
1	Residential - General - Urban	0.00961
2	Residential - General - Rural	0.00673
3	Residential - Vacant - Urban	0.00865
4	Residential - Vacant - Rural	0.00625
5	Residential - Two Unit - Urban	0.01057
6	Residential - Multi Unit	0.04084
Farming rating group		
7	Farming - General	0.00625
Business rating group		
8	Business - Inside CBD	0.03604
9	Business - Urban Outside CBD	0.04132
10	Business - Rural	0.02499

Targeted Rates for Water Supply

Council has set targeted rates for water supply to properties within the respective service areas (refer to plans in the section titled Targeted Rate Areas of Service) on a differential basis.

For these purposes:

A **"rating unit connected"** is one to which water is supplied from a Council water supply service.

A **"serviceable rating unit"** is one to which water is not connected, but the whole, or some part of which is within 100 meters of a Council water supply area.

The Targeted Rates for water supply are as follows, (GST inclusive):

Urban (Plan numbers 10173 sheet 2, 10175 and WS 1053)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$1,684,000			
A differential targeted rate of:			
<ul style="list-style-type: none"> A fixed amount on each separately used or inhabited part of a rating unit connected (whether or not metered) 	<ul style="list-style-type: none"> Annual for rating units connected Quarterly for metered supply 	\$138.00	\$134.00
<ul style="list-style-type: none"> A fixed amount on each serviceable rating unit (at 50% of the fixed charge for a rating unit connected). 	Annual	\$69.00	\$67.00
A targeted rate on each metered separately used or inhabited part of a rating unit of a fixed amount per cubic metre supplied in excess of 58,000 litres.	Per cubic metre, quarterly	\$0.60	\$0.58

Mamaku (Plan number WS 4020)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$43,000			
A targeted rate of a fixed amount per connection on each rating unit connected.	Quarterly	\$26.50	\$26.50
A targeted rate on each metered rating unit of a fixed charge per cubic metre supplied to the rating unit.	Per cubic metre, quarterly	\$0.35	\$0.35
Rotoiti (Plan number WS 6013)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$41,000			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected.	Quarterly	\$21.00	\$21.00
	Annual	\$42.00	\$42.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit.			
A targeted rate on each metered rating unit of a fixed amount per cubic meter supplied to the rating unit.	Per cubic metre, quarterly	\$0.29	\$0.29
Rotoma (Plan number WS 6514)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$39,000			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected.	Quarterly	\$58.00	\$58.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit	Annual	\$116.00	\$116.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.	Per cubic metre, quarterly	\$0.72	\$0.81
Kaharoa (Plan number WS 3529 sheet 2)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$140,000			
A targeted rate of a fixed amount per connection on each rating unit connected.	Quarterly	\$72.00	\$70.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.	Per cubic metre, quarterly	\$0.24	\$0.22
Reporoa (Plan number 10174)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$338,000			
A differential targeted rate:			
• A fixed amount per connection on each Domestic/Non-Farming rating unit connected	Quarterly	\$26.00	\$26.00
• A fixed amount per connection on each Farming/Dairy-Factory rating unit connected.	Quarterly	\$35.00	\$35.00
A differential targeted rate:			
• A fixed amount on each metered Domestic/Non-Farming rating unit per cubic metre supplied in excess of the 83 cubic metres per quarter.	Per cubic metre, quarterly	\$0.31	\$0.31
• A lower fixed amount on each metered Farming/Dairy-Factory rating unit per cubic metre supplied in excess of 206 cubic metres per quarter.	Per cubic metre, quarterly	\$0.17	\$0.17

Hamurana (Plan number WS 3024)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$36,000			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected	Quarterly	\$19.00	\$19.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit.	Annually	\$38.00	\$38.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied.	Per cubic metre, quarterly	\$0.21	\$0.23
A targeted rate on each rating unit for which no lump sum has been made towards the construction of the supply of a rate in the dollar in land value.	Rate per dollar of land value, annually	0.00106	0.00116
Okareka (Plan number WS 5024)	Charging unit	2004/2005	2003/2004
The amount to be collected is \$26,000			
A differential targeted rate:			
• A fixed amount per connection on each rating unit connected	Quarterly	\$17.00	\$17.00
• A fixed amount (being 50% of the above amount) on each serviceable rating unit.	Annually	\$34.00	\$34.00
A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied.	Per cubic metre, quarterly	\$0.22	\$0.27
A targeted rate on each rating unit for which no lump sum has been made towards the construction of the supply of a fixed amount.	Annual	\$135.70	\$145.60

Targeted Rates for Sewage Disposal

Council has set the following targeted rate on a differential basis for sewage disposal in the urban area:
A differential targeted rate calculated as a fixed amount per toilet connected to the sewerage system on each rating unit as follows (GST inclusive):

Urban (Plan number 10192)	Proportion of the uniform sum	2004/2005	2003/2004
The amount to be collected is \$7,060,000			
Category 1			
- means the rating units with 1 to 4 toilets (water closets or urinals)	100% of the uniform sum	\$266.00	\$260.00
Category 2			
- means the rating units with 5 to 10 toilets (water closets or urinals)	85% of the uniform sum	\$226.10	\$221.00
Category 3			
- means the rating units with 11 or more toilets (water closets or urinals)	80% of the uniform sum	\$212.80	\$208.00
Availability	50% of the uniform sum	\$133.00	\$130.00
- means the rating units which are serviceable rating units.			

Targeted Rates for Refuse Collection

(Plan number. Refer Targeted Rates Areas of Service.)

Council has set targeted rates for refuse collection from separately used or inhabited parts of a rating unit within the respective service areas on a differential basis for refuse collection in urban and rural areas respectively, where the service is provided, as follows (GST inclusive):

Refuse Collection (Plan numbers 10196-001 [urban] and 10196-002 [rural])	Charging Unit	2004/2005	2003/2004
The amount to be collected is \$1,351,000			
Urban (weekly collection)	Annual	\$56.60	\$56.60
Urban (CBD twice-weekly collection)	Annual	\$113.20	\$113.20
Rural (weekly collection)	Annual	\$59.10	\$59.10

Due dates for payment of rates

All rates (including targeted rates for water supply charged annually, but excluding targeted rates for water supply charged quarterly) will be payable in four instalments by the due dates, as follows:

Instalment	Due Date
Instalment Number 1	25 August 2004
Instalment Number 2	25 November 2004
Instalment Number 3	25 February 2005
Instalment Number 4	25 May 2005

Targeted rates for metered water supply charged quarterly (separately) will be payable within 30 days of invoice.

Discount for Prompt Payment

A discount, at a rate set annually, is allowed to any ratepayer who pays the total rates, charges, and levies as specified on the rates assessment, (excluding targeted rates for water supply charged quarterly), by the final payment date for the first instalment. The discount for 2004/2005 is 2%.

Penalties on unpaid rates

- **Current overdue rates instalments:**
A penalty will be added to any part of an instalment that remains unpaid after the due date for payment of the instalment. The penalty will be 10% of the unpaid instalment.
- **Arrears of rates (including past instalments):**
A further penalty will be added to any unpaid rates (including penalties) at the beginning of the next financial year. The penalty will be 10% of the unpaid amount.

Penalties on unpaid water invoices

- **Current overdue invoices for water supply charged quarterly:**
A penalty will be added to any part of an invoice that remains unpaid after the due date for payment of the invoice. The penalty will be 10% of the unpaid invoice.
- **Arrears of water rates (including past instalments):**
A further penalty will be added to unpaid water invoices (including penalties) at the beginning of the next financial year. The penalty will be 10% of the unpaid amount.
A further penalty will be added on water invoices still owing 6 months after the above further penalty was added. The penalty will be 10% of the unpaid amount.