

Draft Funding impact statement

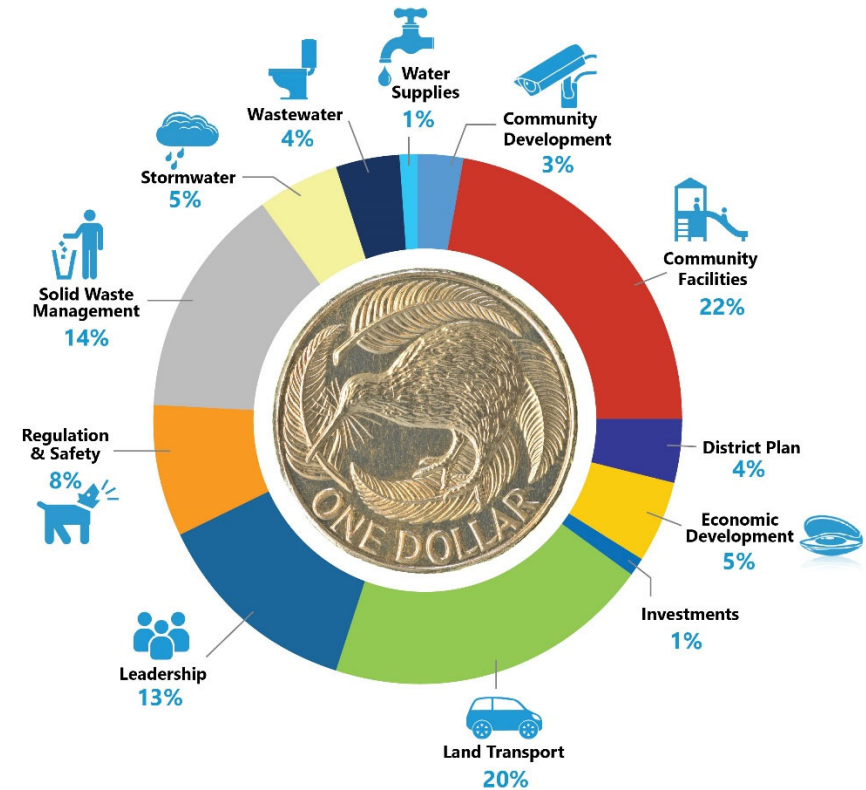
The purpose of the funding impact statement is to provide information about the income and funding streams we will use and is an indication of the amount of funding we will generate from each stream.

Council will use a mix of revenue sources to meet operating costs, with major sources being general and targeted rates, land transport subsidies and fees and charges.

Capital expenditure for new works will be funded from loans, with capital renewals being funded by rates and reserves set aside for this purpose.

At various points in this funding impact statement the Council has included an indicative level of rate or charge. These indicative figures support the calculations in the rates sample models and are included to provide you with an indication of the level of rates we are likely to assess on your rating unit in the coming year. So long as we set the rates in accordance with the system described in this statement, the amounts may change.

How your rates dollar is split over our activity groups



Forecast Funding Impact Statement

	Annual Plan 2020/2021	LTP 2021/2022	LTP 2022/2023	LTP 2023/2024	LTP 2024/2025	LTP 2025/2026	LTP 2026/2027	LTP 2027/2028	LTP 2028/2029	LTP 2029/2030	LTP 2030/2031
Sources of Operating Funding											
General rates, uniform annual general charge, rates penalties	8,615	9,086	9,593	10,149	10,720	11,328	11,930	12,601	13,204	13,909	14,368
Targeted rates	2,714	2,977	3,183	3,378	3,854	4,168	4,491	4,686	4,848	4,937	5,096
Subsidies and grants for operating purposes	2,386	2,145	2,026	2,042	2,070	2,134	2,200	2,268	2,338	2,410	2,482
Fees and charges	1,355	1,480	1,531	2,558	2,871	4,024	4,891	5,191	5,371	5,695	5,825
Interest and dividends from investments	42	46	47	49	50	52	53	55	56	58	59
Local authorities fuel tax, fines, infringement fees, and other receipts	354	352	362	373	384	395	407	419	431	444	456
Total Operating Funding (A)	15,466	16,086	16,742	18,549	19,949	22,101	23,972	25,220	26,248	27,453	28,286
Applications of Operating Funding											
Payments to staff and suppliers	13,185	13,893	14,336	15,646	17,912	18,509	19,085	19,681	20,386	21,132	21,451
Finance costs	928	337	487	714	1,112	1,472	1,655	1,751	1,813	1,890	1,866
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	14,113	14,230	14,823	16,360	19,024	19,981	20,740	21,432	22,199	23,022	23,317
Surplus (deficit) of operating funding (A-B)	1,353	1,856	1,919	2,189	925	2,120	3,232	3,788	4,049	4,431	4,969
Sources of capital funding											
Subsidies and grants for capital expenditure	25,823	15,114	4,213	3,344	1,810	1,819	1,600	1,751	1,721	1,928	2,152
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	9,064	3,614	6,689	7,297	14,577	6,009	4,259	1,115	2,188	2,022	(3,431)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	34,887	18,728	10,902	10,641	16,387	7,828	5,859	2,866	3,909	3,950	(1,279)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	22,368	2,538	6,972	9,637	12,364	2,383	2,153	192	-	25	-
- to improve the level of service	10,260	11,475	2,663	1,154	1,412	2,463	3,548	2,565	4,566	6,103	1,554
- to replace existing assets	3,613	8,573	3,699	2,567	4,082	5,662	3,966	4,490	4,004	2,883	2,780
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	(2,000)	(515)	(529)	(545)	(561)	(576)	(593)	(610)	(628)	(645)
Total applications of capital funding (D)	36,241	20,586	12,819	12,829	17,313	9,947	9,091	6,654	7,960	8,383	3,689
Surplus (deficit) of capital funding (C-D)	(1,354)	(1,858)	(1,917)	(2,188)	(926)	(2,119)	(3,232)	(3,788)	(4,051)	(4,433)	(4,968)
Funding Balance ((A-B)+(C-D))	(1)	(2)	2	1	(1)	1	-	-	(2)	(2)	1

Depreciation by Group of Activity

Group of Activities	Forecast 2021/2022	Forecast 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028	Forecast 2028-2029	Forecast 2029/2030	Forecast 2030/2031
Community and Cultural Sustainability	381	537	571	659	690	693	724	724	724	796
Economic Sustainability	1,825	1,863	1,986	2,028	2,060	2,263	2,329	2,359	2,606	2,679
Environmental Sustainability	691	762	835	965	1,059	1,084	1,209	1,216	1,216	1,365
Support Services	415	415	435	447	447	447	467	467	467	491
	3,312	3,578	3,828	4,100	4,256	4,487	4,729	4,766	5,013	5,330

Rates

*All figures exclude GST

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
General Rates	7,524,567	7,940,772	8,389,123	8,581,240	9,269,326	9,909,892	10,451,310	10,925,936	11,476,545	11,856,777
UAGC Rates	2,121,252	2,228,955	2,352,975	2,748,764	2,686,297	2,665,755	2,814,242	2,961,472	3,135,570	3,232,949
Total General Rates and UAGC	9,645,818	10,169,727	10,742,098	11,330,004	11,955,623	12,575,647	13,265,553	13,887,409	14,612,116	15,089,726
Targeted Rates										
Opotiki/Hikutaia Water	552,723	657,991	682,275	718,745	777,355	806,759	856,228	871,912	885,593	926,904
Te Kaha Water	76,479	90,924	85,689	96,022	103,161	104,691	115,404	119,749	122,498	130,484
Ohiwa Water	12,599	12,909	13,403	14,013	14,411	14,762	15,428	15,640	15,874	16,622
Opotiki Sewerage	872,192	890,846	1,000,147	1,415,483	1,607,398	1,781,076	1,887,752	1,935,251	1,941,124	2,031,334
Waihau Bay Sewerage	13,964	17,397	17,930	18,683	19,300	20,526	21,450	21,956	22,488	23,473
Refuse Collection	526,057	540,673	555,812	571,155	586,771	602,045	618,453	635,093	652,272	669,382
Waioeka Wastewater Extension	39,885	39,885	39,885							
Total Targeted Rates	2,093,899	2,250,624	2,395,141	2,834,102	3,108,396	3,329,858	3,514,716	3,599,601	3,639,849	3,798,199
Communities of interest rates										
Residential	135,029	142,197	150,113	156,942	164,713	185,826	187,977	203,254	214,931	214,566
Rural	82,339	90,618	99,494	103,666	108,457	132,164	127,564	143,061	149,198	142,574
Commercial	239,041	258,663	278,775	289,546	301,107	345,025	341,357	370,076	383,898	377,076
Total Targeted Rates	2,550,309	2,742,102	2,923,524	3,384,255	3,682,673	3,992,873	4,171,614	4,315,993	4,387,876	4,532,415
Total Rates	12,196,127	12,911,829	13,665,622	14,714,260	15,638,296	16,568,520	17,437,167	18,203,402	18,999,992	19,622,141

*All figures exclude GST

Description	Land Liable	Differential	Factor of Liability	Rate Value (Excl GST)	Amount Sought
District Wide Rates					
General	All rateable property	Uniform	Capital Value	0.2777162 cents in the dollar	\$ 7,524,567
Uniform Annual General Charge	All rateable property	Uniform	Fixed amount per rating unit	\$ 449.80	\$ 2,121,252

Targeted Rates

Opotiki/Hikutaia Water	Service available	Service available/connected	Amount per SUIP	\$238.27 Connected	\$ 552,723
			Amount per rating unit	\$119.14 Available	
Te Kaha Water	Service available	Service available/connected	Amount per SUIP	\$207.4 Connected	\$ 76,479
			Amount per rating unit	\$103.7 Available	
Ohiwa Water	Service available	Service available/connected	Amount per SUIP	\$586 Connected	\$ 12,599
			Amount per rating unit	\$293 Available	
Opotiki Sewerage	Service available	Service available/connected	Amount per SUIP	\$509.85 Connected	\$ 872,192
			Amount per rating unit	\$254.925 Available	
			Amount per pan	\$407.88 Multiple	
Waihau Bay Sewerage	Service available	Service available/connected	Amount per SUIP	\$547.61 Connected	\$ 13,964
			Amount per rating unit	\$273.81 Available	
Waioeke Wastewater Extension	Service available	Service	Amount per rating unit	\$19942.5 Connected	\$ 39,885
Refuse Collection	Service available	Service available/provided	Amount per SUIP	\$237.87 Collected	\$ 526,057
			Amount per rating unit	\$118.935 Available	

Communities of Interest Rates

Residential	Residential property	Uniform	Amount per rating unit	\$ 63.36	\$ 135,029
Rural	Rural property	Uniform	Amount per rating unit	\$ 34.80	\$ 82,339
Commercial	Commercial/Industrial	Uniform	Amount per rating unit	\$ 1,117.01	\$ 239,041

Metered Water Rates

Ōpōtiki/Hikutaia	Service connected	Uniform	Amount per cubic metre	\$ 0.57	\$ 320,000
Ōhiwa	Service connected	Uniform	Amount per cubic metre	\$ 1.00	\$ 7,000
Te Kaha	Service connected	Uniform	Amount per cubic metre	\$ 1.00	\$ 100,000

Rating Examples

Ōpotiki house property



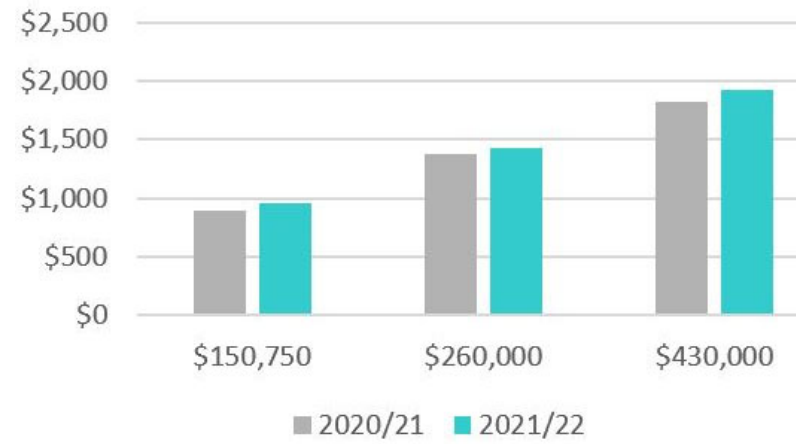
Hukutaia/Woodlands Property



Ohiwa Property



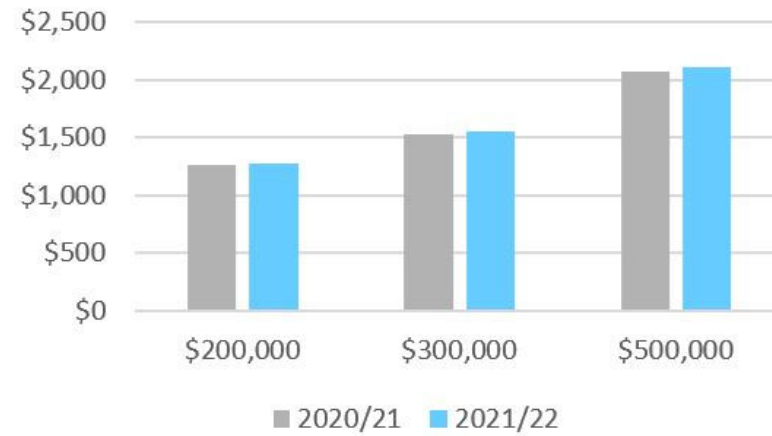
Rural Residential Property



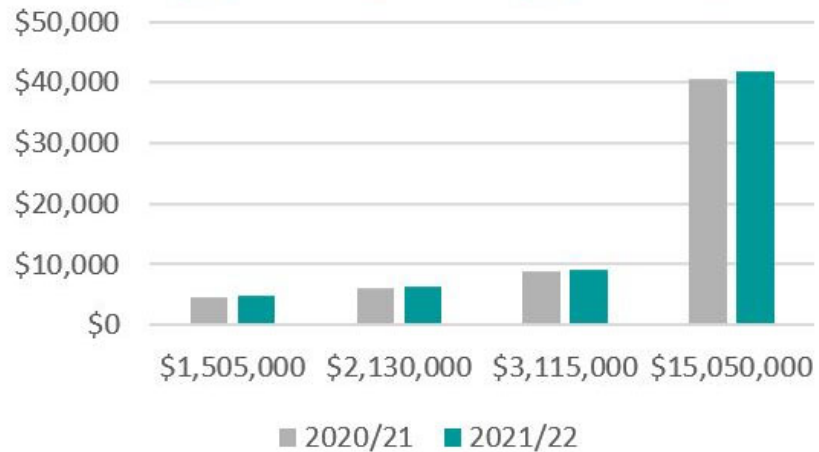
Rural Property



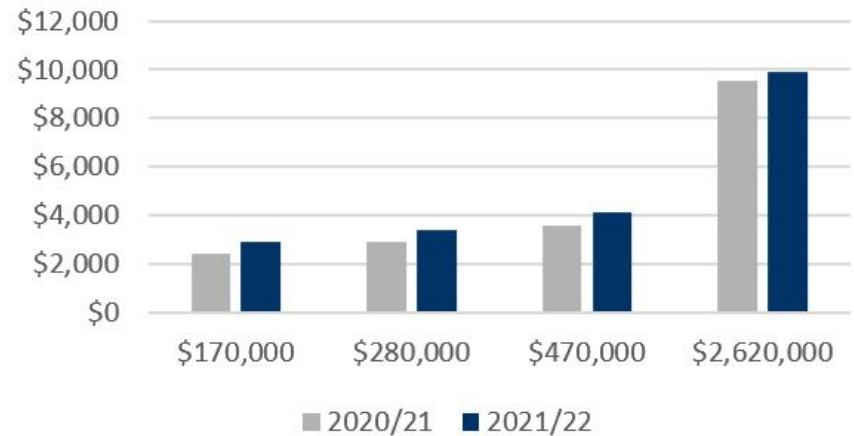
Te Kaha on water



Kiwifruit Property



Commercial & Industrial



The following rates are proposed to be set and assessed within the District for the 2021/22 year (GST Exclusive):

District Wide Rates

1 General Rates

A general rate set under section 13 of the Local Government (Rating) Act 2002 for the purposes of providing all or some of the cost of the Council activities set out in this 2021-2031 Long Term Plan.

For the 2021/22 year this rate will be 0.2777 cents per dollar (excluding GST) based on the rateable capital value of all land within the District.

2 Uniform Annual General Charge

A rate set under section 15 of the Local Government (Rating) Act 2002 on each rating unit within the District. See definition below. This rate is for the purpose of providing some of the cost the Council activities set out in this 2018-2028 Long Term Plan.

For the 2021/22 year this rate will be \$449.80 (excluding GST)

Definitions:

Separately Used or Inhabited Parts of a Rating Unit

Definition: A separately used or inhabited parts of a rating unit is defined as –

Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, licence or other agreement.

Examples of separately used or inhabited parts of a rating unit:

- For residential rating units, each self-contained household unit is considered a separately used or inhabited part. Each situation is assessed on its merits, but factors considered in determining whether an area is self-contained would include the provision of independent facilities such as cooking/kitchen or bathroom, and its own separate entrance

- Residential properties, where a separate area is used for the purpose of operating a business, such as a medical or dental practice. The business area is considered a separately used or inhabited part.

These examples are not considered inclusive of all situations.

Targeted Rates

3 Water Supply Rates

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for water supply operations of a fixed amount per separately used or inhabited part of a rating unit.

The purpose of this rate is to fund water supplies for Ōpōtiki/Hikutaia, Te Kaha and Ōhiwa, as well as to fund the maintenance, operation and capital upgrades of water supplies and treatment in those parts of the districts where these systems are provided.

The rate is subject to differentials as follows:-

- A charge per separately used or inhabited part of a rating unit connected in the Ōpōtiki/Hikutaia, Te Kaha and Ōhiwa communities.
- A half-charge per rating unit which is serviceable in the above locations.

For this rate:

- “Connected” means a rating unit to which water is supplied.
- “Available” means a rating unit to which water is not being supplied, but the property is situated within 100 metres of the water supply.

For the 2021/22 year these rates will be:

	WATER RATES	
	Connected	Available
Ōpōtiki/Hikutaia	238.27	119.14
Te Kaha	207.40	103.70
Ōhiwa	586.00	293.00

4 Metered Water Rate

A targeted rate under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied, as measured by cubic metre, to any property that is connected to one of the water supplies in Ōpōtiki, Te Kaha or Ōhiwa Districts.

	METERED WATER
	Connected
Ōpōtiki/Hikutaia	57 cents per cubic metre
Te Kaha	\$1.00 per cubic metre
Ōhiwa	\$1.00 per cubic metre

5 Sewerage Rates

A targeted rate set under section 19 of the Local Government (Rating) Act 2002 for the Council's sewage disposal function of fixed amounts in relation to which the Council's sewage disposal service is provided or available as follows:

The purpose of this rate is to fund the maintenance, operation and capital upgrades of sewerage collection, and treatment and disposal systems in those parts of the District where these systems are provided.

- This rate is subject to differentials as follows
- A charge of per separately used or inhabited part of a rating unit connected.
 - A charge per pan within the separately used or inhabited part of a rating unit for each pan where there are multiple connections.
 - A charge per rating unit where the service is available but not connected.

For this rate:

- "Connected" means the rating unit is connected to a public sewerage system.
- "Available" means the rating unit is not connected to a public drain, but the property is situated within 30 metres of such a drain.
- A rating unit used primarily as a residence for one household is treated as not having more than one pan
- For multiple connections each pan will be rated at 80% of the full charge.

For the 2021/22 year these rates will be:

A uniform targeted rate on the capital value of all rateable land in the Ōpōtiki stormwater catchment area.

	SEWERAGE	RATE	
	Connected	Available	Multi-connection
Ōpōtiki	509.85	254.92	407.88
Waihou Bay	547.61	273.80	

(d) Waioeka Wastewater Extension Charge

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for each property connected to the wastewater extension to Factory Road, Ōpōtiki of \$19,942.50 per rating unit.

6 Refuse Collection Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for the purposes of funding collection of household refuse in the Ōpōtiki district as follows:

The collection area is:

- Within the Ōpōtiki Ward with the exception of Dip Road, Crooked Road and State Highway 2 west of Baird Road
- Within the Waiotahi/Waioeka Ward for the Waiotahi Drifts Subdivision, Appleton Road, State Highway 2 between Waiotahi Drifts and Paerata Ridge Road, Whakaari Road and Paerata Ridge Road up to but excluding Thompson Road, Otara Road to Factory Road, Factory Road, Stoney Creek Road and Waioeka Road/State Highway 2 to rural number 126.

The rate is subject to differentials as follows:-

- A full charge of \$237.87 on each separately used or inhabited part of a rating unit (that is used or inhabited) within the collection area.
- A half-charge of \$118.93 on each separate rating unit where the property is not used or inhabited within the collection area.

7 Communities of Interest

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 for specific groups of ratepayers that receive a greater benefit from certain activities. The rate is set differentially on all rateable rating units as follows:

(a) Residential Communities of Interest

This targets a charge for certain activities to the Ōpōtiki Town Ward plus all rating units less than 0.5ha outside the Ōpōtiki Town Ward on the seaward side of the area commencing from Ohiwa Harbour at the intersection of Ruatuna Road and State Highway 2 and following State Highway 2, Waiotahi Valley Road, Gabriels Gully Road, Browns Road, Verralls Road, Paerata Ridge Road, Old Creamery Road, Crooked Road, Dip Road, Armstrong Road, McGregor Road, line from intersection of McGregor and Woodlands Road to intersection of State Highway 2 and Clarks Cross Road, Stump Road, line bisecting Tablelands and Tirohanga Road to Te Wakanui Road, Te Wakanui Road concluding at intersection with State Highway 35. The activities include litter control, playgrounds, compliance, economic development, animal control, and stormwater.

For the 2021/22 year this rate will be \$63.36 per rating unit.

(b) Rural Communities of Interest

This targets a charge for certain activities in the rural areas of the district excluding properties included in the residential communities of interest, and commercial/industrial communities of interest. The activities include rural stormwater, cycleway, economic development, compliance, and rural litter control.

For the 2021/22 year this rate will be \$34.80 per rating unit.

(c) Commercial/Industrial Communities of Interest

This targets a charge for certain activities to rating units where the land use is commercial or industrial. The activities include cycleway, litter control, stormwater, economic development, compliance, property, tourism, and health.

For the 2021/22 year this rate will be \$1,117.01 per rating unit.

Sources of funding for subsequent years

The funding sources applied for 2021/22 will also apply for all the other years covered by the Plan. However, the specific rates applying for each other year of the plan, may vary.

Council will not seek any lump sum contributions for the 2021/22 rating year.

