



BULLER
DISTRICT COUNCIL
Te Kaunihera O Kawatiri

Issue #1  August 2023

A little bit about your 2023-2024 rates

Find out what your rates pay for and rates in general

FAQs

Rates can be super confusing, and they just went up, so we thought you might want to know a bit more about what your rates pay for and how they work.

It is not an easy topic and there is lots of jargon going on. We have compiled key information which will help you to understand a little bit more about your rates.

How are my rates calculated?

Let's get started and cover off what your rates consist of. There are three components to your rates.

Uniform annual general charge (UAGC)– is a fixed amount billed to all properties (regardless of the property's value). For the rating year starting 1 July 2023, this is \$550.

Targeted rates– are billed to each household for certain services or facilities that are available to the household. These include sewerage, waste collection and water supply.

General rates– general rates not recovered through the UAGC are set by dividing the remaining general rates required by the land value of the districts properties. Each property will pay its share based on its land value and the differential that applies to the property based on where it is located and the activity or use of the land.

Summing up, everyone pays the UAGC, you pay for your waste collection, water service or any other service on a user base, and the rest of your rates is your share of what is needed to run the district that is not covered by the previous two.

How are my rates set each year?

Council sets its rates annually as part of the Annual Plan. If you never heard about this big bulky and rich at numbers document, it contains what we intend to do over the coming financial year (1 July – 30 June) and how we are going to fund this.

This will result in the rates for the coming year, which is one of the key information in the Annual Plan.

We also have a policy that defines what activities like maintaining

our water supplies is funded through what revenue. To put it in simple terms, this document describes how we are funding for example building consents. This can either be financed through rates, paid through fees and charges (I like building consent fees) or a mix out of both.

What does the Annual Plan have to do with my rates?

Each year, our staff calculates the amount required to deliver services like safe drinking water, community facilities, and Council's operational costs for the year ahead as part of the Draft Annual Plan.

They then figure out how to fund this, mainly through rates, and calculate the proposed rates increase which will make sure Council has the money to pay for what we promised. Hence the rates increase in the draft Annual Plan is an estimate. This estimate gets altered or signed off by Councilors and once approved comes into effect on 1 July as part of the Annual Plan.

The rate increase in the approved Annual Plan is what you will be notified about and define how much rates you pay for the next 12 months.

Why is my rates increase different to the signaled total rates increase in the Annual Plan?

The total rates increase for the district in the 2023-2024 Annual Plan was 6.8%. The overall increase for your property might be quite different due to a number of factors.

One reason is the three-yearly revaluation of properties. This was undertaken by Quotable Value Limited in 2023 and changes the value of your property, which is the base to calculate the general rates component.

Another factor is what services (waste, water, etc) your property is connected to, and what targeted rates you pay to use these services. If some targeted rates change, this will only impact the targeted rates component for properties that use these services. This shift in targeted rates will contribute to the total rates increase of your property.

Frequently Asked Questions

The Annual Plan (page 36 –37) contains examples of the actual increase of rates for different parts of the district to give you a better indication, what will be your rates increase for the coming financial year.

Overall, it is not all the same if it comes to rates and it really depends on what services you use, your land value, that will determine how much your rates increase. You will be notified of the exact amount and percentage in your rates notification in July.

What do my rates pay for?

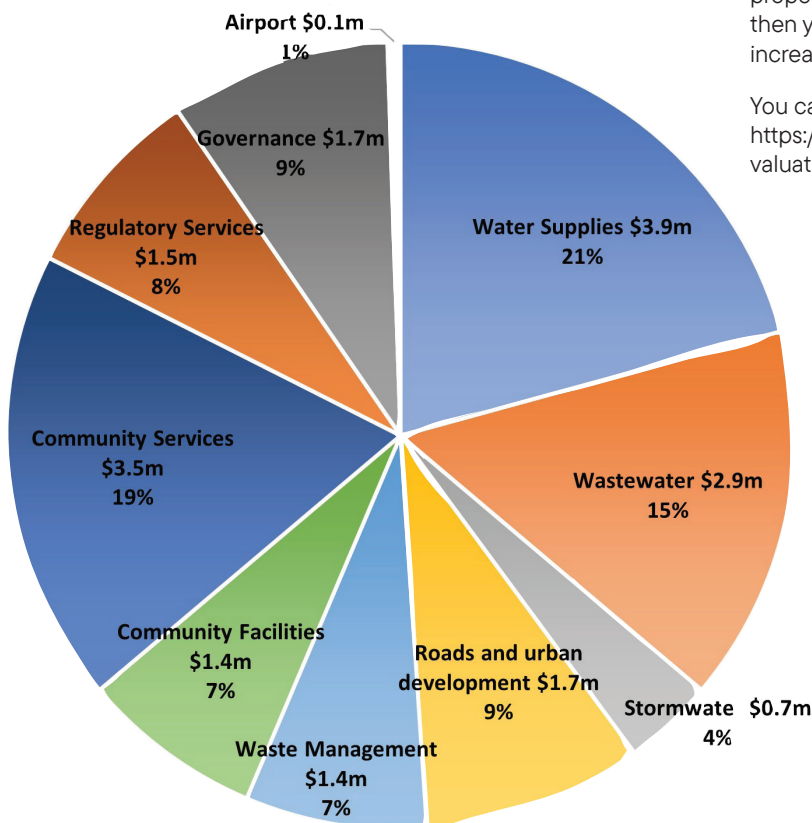
Rates provide around half of Council's budgeted income and are with this the key income source for Council. Council's remaining income is generated from fees and charges, subsidies and grants, Council investments, and distributions from Council Controlled Organisations like WestReef Services Ltd.

Combined, this income pays for roads, stormwater and wastewater systems, water supplies, libraries, parks and reserves, and other infrastructure and services that Council supplies.

You can see the share that each of the areas will receive over the next 12 months in the diagram below.

This is based on the rates income of 19 million we have budgeted for in our 2023 –2024 Annual Plan.

What my 2023 - 2024 rates fund



Will my rates change when my property is revaluated?

The key point to note is that even though your properties land value may have increased by say 90%, that does not mean that your rates increase by 90%. How much your rates will increase is based on a number of factors including how much your property's land value has increased in relation to the group of properties that make up the general rate differential pool applicable to your property.

If you are unsure what general rate differential applies to your property this can be found on your full rates assessment notice supplied with your first rates instalment notice, or alternatively you can look it up on Council's website under property record look up. Just enter in your valuation number or property address to view the rates applicable to your property.

Overall, the average increase in the general rates proposed to be collected in 2023/2024 by the variable land value based rate (or differential rate) compared to 2022/2023 is 10.49% in the Annual Plan.

Post the rating revaluations whether the variable general rate payable by an individual property increases by 10.49% is again dependent on how your property increase has moved in relation to the differential group it belongs too.

If your property value increase is lower than the average for the location/sector that you live in, then you will pay slightly less than the average general rates increase proposed of 6.8%. If your property land value increase is higher than the average movement, then you will pay slightly more than the average general rates increase proposed of 6.8%.

You can find out more about rating valuations on our website <https://bullerdc.govt.nz/property-rates-and-building/rating-valuations/>



FOR MORE INFORMATION

To find out more visit Council's website www.bullerdc.govt.nz/property-rates-and-building/rates/. If you have further questions, please email info@bdc.govt.nz with the subject **rates**.

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