



Your rates for the 2011/12 financial year

August 2011

Message from Mayor Annette Main

The first Annual Plan in my term of Mayor has required careful consideration by council to ensure we are continuing to deliver services in the best and most cost effective way possible.

Your council listened closely to your submissions to the draft Annual Plan 2011/12, and we believe we have reached a careful balance between the need to look after our existing assets and infrastructure and to deliver the services which contribute to our daily lives. We appreciated the constructive way submissions were presented.

We have been able to achieve an average rate increase of 4.9% which reflects the rises in the cost of living specific to the type of spending incurred by councils.

We are fortunate here in Wanganui to enjoy a network of public assets and facilities, and we are surrounded by an outstanding natural environment. It is important that we continue to look after these assets so they can continue to enrich our lives and attract others to visit or to live.



Enclosed with your rates notice is a travel voucher for the PS Waimarie – if you take a ride on the Waimarie, you can take a friend or family member for free. The council is supporting this major attraction for our district so we want our residents to experience and enjoy it, and then tell other people about it.

Our residents are the best people to promote our district and we all look forward to a future for Wanganui which sees us take our place as one of the most desirable places in New Zealand to visit, to live and to work.


Annette Main
Mayor



Annual Plan highlights 2011/12

Shaping Wanganui – An additional \$130,000 is included to complete the phased review of the District Plan within the statutory time frame of February 2014.

Riverfront Development – The Riverfront Development Plan has been adopted to create a riverfront precinct providing an arts, entertainment and tourism hub embracing the Whanganui River.

Heads Road intersection - Council will undertake a study on the Heads Road/Beach Road intersection and talk to key stakeholders to look at appropriate low cost mitigation measures whilst the study is under way.

Ultra fast broadband – Wanganui is one of the first places in New Zealand to have ultra fast broadband and the network will be rolled out later this year. The Annual Plan allocates \$20,000

and dedicated staff time to support work promoting the roll out and uptake of ultra fast broadband in the community.

Sarjeant Gallery - \$500,000 is included for an environmental control system for the Sarjeant Gallery to ensure preservation of the collection.

Royal Wanganui Opera House seating - \$150,000 is included for replacing seating. This is the first phase of a three-year programme.

Splash Centre - \$600,000 is included to modify the heating system. The potential operational savings from completing this work means the capital outlay will be paid back within three to four years.

Rates rebate scheme

Information about the rates rebate scheme is enclosed with your rate account.

If you require further information or assistance, please contact our rates department, phone 349 0001.

Your rates for the financial year 2011/12

Setting rates is an annual process which requires your council to allocate costs to the community of delivering services to your property. We allocate these costs by rates which are, in general effect, a property tax. Rates can reflect the benefits that are available to you, but may not necessarily reflect your individual use of council services.

Setting rates is always a balancing act between providing services that you and the community want, and your ability to pay for those services.

A larger rates increase could enable council to increase the range of services to you, keep assets well maintained, undertake projects and ensure costs are not deferred to future generations.

Keeping rates low, whilst appearing to benefit ratepayers, may require council to cut services, let some of our assets deteriorate or postpone projects, which could have a negative effect immediately or defer costs to future generations.

In setting your rates this year, we have been faced with pressures resulting from the Christchurch earthquake impacting on insurance costs, the effects of the 2010 district wide revaluation, the GST increase, increasing debt balance and the need to maintain our district's infrastructure assets. Equally we understand that for you this is a period of rising food and petrol prices and generally challenging economic conditions.

The Annual Plan process is also a time when we listen to you, our community. This year we received 215 submissions and 50 individuals and groups chose to speak directly to the council. The ideas from these submissions were carefully considered and rigorously debated.

In reaching the final Annual Plan, council is confident that, with your help, we will continue to make progress in key areas and ensure that Wanganui is a great place for us all to live and work.

How are the rates on my residential property calculated?

When setting the rates, council has to consider more than 20,000 properties. The process is complicated as no two properties are the same or use the same level of council services. To reflect this diversity, the average residential property has seven individual rates where each rate is set on either a per property, capital value or land value basis.

Why have my property rates changed?

Increased council costs

Every year council's costs increase and these costs need to be partially apportioned to your property through rates.

While the average rates increase this year is 4.9%, the change in rates varies between -10% and +33% for different properties, depending on how the factors below affect your property.

Rates set on a per property basis include the community facilities rate, the water supply rate and wastewater rate. These rates have increased by 7% for all properties.

The general rate is the only rate set on land value. It has increased by 4.8%.

Rates set on capital value include the roading, stormwater and firefighting rates. These have increased by 3.2%.

2010 district wide revaluation

Every property in New Zealand must be revalued for rating purposes at least once every three years according to the Rating Valuations Act 1998. The revaluation of Wanganui properties took place in 2010 and these new valuations have been used as a basis to allocate rates for your property in 2011/12.

The revaluation showed an average decrease in capital value of 7.6% and a decrease in land value of 12.1%. The impact of the revaluation will differ from property to property. If your property values have fallen more than these averages, you will have a smaller than average rates increase for those rates set on capital or land value.

More information about revaluation can be found at www.qv.co.nz.

GST increase

When council issued its 2010/11 rates notices, we added GST at 12.5%. However, when central government increased GST by 2.5% on 1 October 2010, council was required to increase all unpaid rates by 2.5%. This means that your 2010/11 rates had two components - the original rates notice plus the 1 October 2010 GST adjustment.

This year's rates notice includes GST at 15%. If you paid your rates in full before last year's GST rise, you will notice the increased GST component in this year's rates.

Your residential property's rates may have changed due to the way council apportions its cost increases to your individual property, whether your property's revaluation was above or below average and how you paid your rates last year.

If you want to discuss how your residential rates have changed or the rates on your commercial or farming property, please contact our rates department.

How your rates are spent

How the average Wanganui residential rate of \$1,901 is spent
Interest expense for the year is expected to be \$6.9M.

On average, this equates to approximately \$330 per rateable property.

