

Information on our current rating system

About your rates bill

Interested in how your rates bill is worked out?

Each year the process starts with the Council considering what services and facilities to provide to local communities in the year ahead, and what new projects to undertake. These are put together in a draft plan along with details of the income needed by the Council to provide the services, and input is invited from Kāpiti locals on key decisions being considered. After listening to feedback the Council sets the budget for the year ahead as it adopts its annual plan or, every third year, its long term plan.

1

What is the total income required to fund Council services?

The range of services and facilities provided for our communities, and the total funding this needs, is set each year through the annual or long term plan process.



2

How much of this income needs to come from rates?

Fees and charges, grants and subsidies, development contributions, etc provide nearly a quarter of the money needed. The remainder is funded by rates.



3

How are rates shared across the district?

Our rating system sets out how the total rates income required by Council is allocated among the district's ratepayers.

Nearly a quarter of the money needed to provide Council services comes from sources such as fees and charges, grants, subsidies and development contributions. The remainder comes from the local community as rates.

Our rating system sets out how the total rates income needed by Council is shared out among the approximately 25,000 ratepayers in the Kāpiti Coast District.

Spending your rates dollars carefully

The Council carries out a wide range of necessary territorial authority functions along with other activities the Kāpiti community wishes us to do. The choices we make about where we focus our activity and our budget are made as each year's annual or long term plan is developed, with community feedback being sought before the plan is finalised.

The Council works hard to keep costs down. The 2017 Ratepayers' Report by the Taxpayers' Union report shows the Council performs strongly in terms of operating costs per ratepayer, ranking second-lowest in the country.

The size of each circle below represents the amount of operational spending in each area currently. Some areas, such as wastewater and stormwater, are almost entirely paid for by rates. Others, such as regulatory services and solid waste, have significant contributions from direct fees and charges.



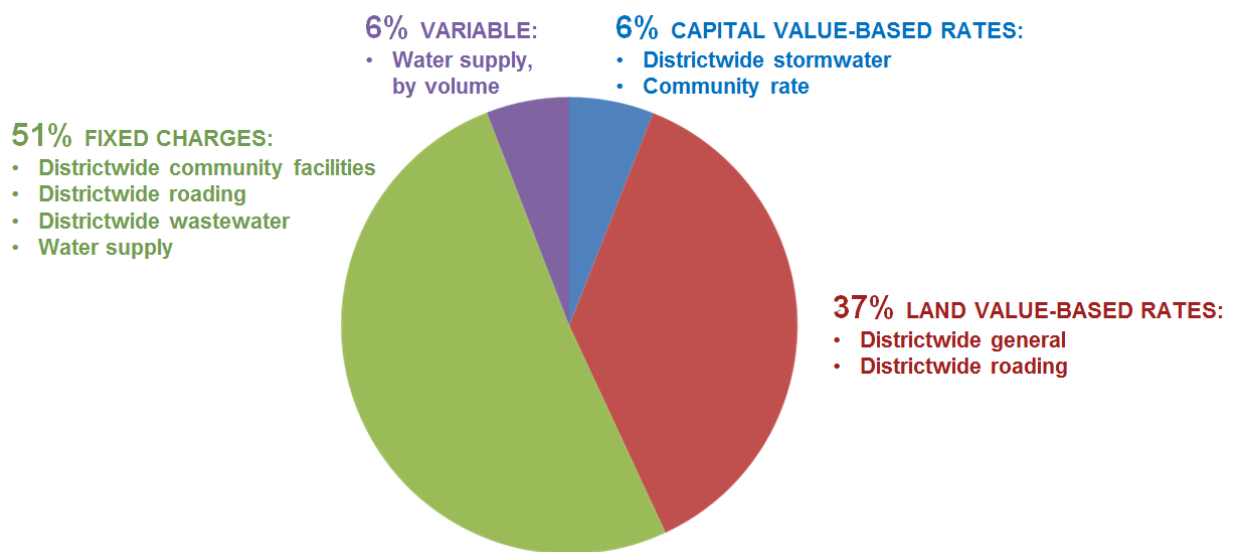
Find out more: Details of the current budget for each area are in our *FutureKāpiti* Annual plan 2017/18, available at futurekapiti.kapiticoast.govt.nz

How rates are calculated?

Councils across New Zealand can choose from a range of options for setting and collecting rates. These are set out in the Local Government (Rating) Act 2002.

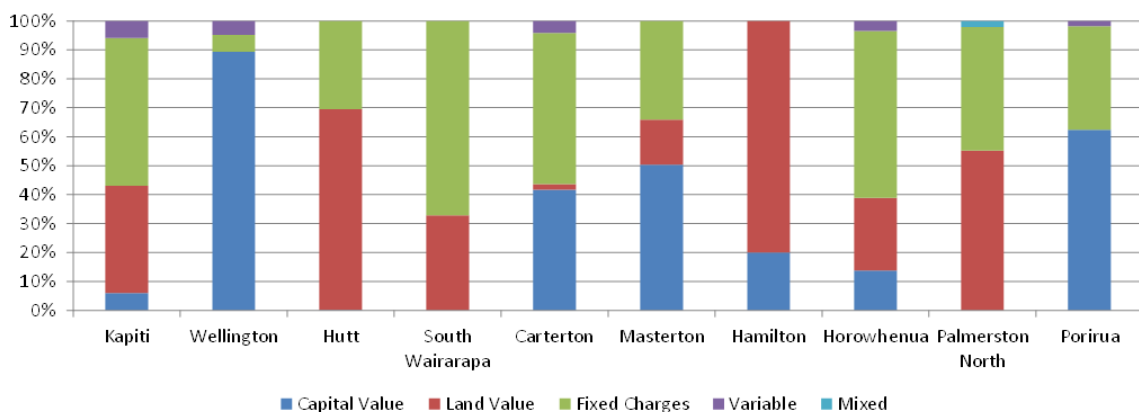
Our rating system for the Kāpiti Coast District is made up of a series of rating elements that together add up to your total rates bill. Each element will be either a fixed charge, a charge applied relative to a property's land value or capital value, or a usage-based charge.

In the 2017/18 year 51% of our rates income comes from fixed charges, 37% from charges relative to land value and 6% relative to capital value. Another 6% are usage-based water charges.



Do all councils share out rates the same way?

Different councils around New Zealand have different proportions of fixed charges and charges relative to land value or capital value – though each council aims to ensure their rating system delivers fairness and affordability to their ratepayers.



Adjustments for differing circumstances

Many of the rating elements that add up to your total rates bill have adjusted levels for specific circumstances, reflecting impacts for our services or different facilities available to residents in some parts of the district.

Some examples of these are:

- Reduced districtwide general rates for rural property owners
- Adjusted community facilities and local roads (fixed charge) rates for accommodation and hospitality providers
- Wastewater charges only apply to those able to be connected to a wastewater scheme – for example, they don't apply to properties in Paekākāriki, which use septic tanks
- Wastewater rates are adjusted for community, educational and recreational facilities and for larger scale commercial or residential properties
- Stormwater rates only apply to properties within stormwater rating map areas.

In addition to adjusted rates levels addressing different circumstances, usage charges for water mean that residents that use more water, pay more.

Property values used for rates calculations

Of the total rates charges collected by the Council for 2017/18, 37% is charged relative to property land values and 6% relative to capital values. This means that these charges are higher for properties with a higher value.

The capital value is the value your property is likely to have sold for at the date of the valuation, excluding chattels. The land value is the most likely selling price of the bare land at the date of valuation.

Councils are required to keep a rating information database and to keep it up to date by having properties in the district revalued every three years.

Capital values and land values used to calculate rates for the 2017/18 year are based on our 2014 valuations.

Updated valuations have been completed across the district, reflecting values as at 1 August 2017. The 2017 valuations will be used in calculating rates from the 2018/2019 rating year, beginning on 1 July 2018.

What about people on low incomes?

We know paying rates can be hard on some members of our community. If you're a low-income homeowner, you may be eligible for a Department of Internal Affairs property rates rebate subsidy of up to \$620 for the current rating year.

In addition, each year the Council sets aside up to \$175,000 for rates assistance to support low-income ratepayers (including on behalf of tenants) facing challenges with paying their rates.

Options include support in some circumstances for ratepayers paying more than 5% of their net

household income on rates after any Government Rate Rebate and for high water use for larger, low income families.

Find out more: Information about support available is on the Council website at kapiticoast.govt.nz/rates or give us a call on **0800 486 486**.

Reviewing how rates are shared across our district

Every three years the Council is required to review the system it uses to allocate rates among our local ratepayers, to ensure it's still appropriate for our district.

Our rating system review is being done as part of the work to develop our long term plan for 2018-38. The Council will be looking at the impact of the revaluations on rates and affordability across the district as part of the

current rating review. Any proposed changes to how we allocate rates across the district will be shared with the community for feedback as part of our long term plan consultation from late March 2018.

In summary

- The total funding needed for the Council to provide services and facilities to the community is set each year through our annual or long term plan process. Around three quarters of this comes from rates
- In the 2017/18 year 51% of our rates income is made up of fixed charges, 37% is relative to land value, 6% relative to capital value and 6% are variable charges
- Adjustments to some elements of our rates charges acknowledge differing access to Council services, or impacts on them
- Relief for many low-income ratepayers is available from government and the Council
- The Council is looking at the impact of the 2017 property revaluation on rates and affordability across the district as part of the current rating review. Community input will be sought on any proposed changes to how rates are shared across the district.

In more detail

Full details of our rating mechanisms are set out in the *FutureKāpiti Annual plan 2017/18*.

Our Annual plan 2017/18 is available online at futurekapiti.kapiticoast.govt.nz or at Council service centres. For details of our rating system see “Funding impact statement – rating policies” on page 50 of the Annual plan 2017/18.

In addition to these rates we collect rates on behalf of the Greater Wellington Regional

Council. Ratepayers will receive a separate Rates Assessment Notice from Greater Wellington with the first instalment invoice each year. Quarterly instalment invoices, however, are combined to reflect both Councils rates on the one invoice.

Kāpiti Coast District Council rating elements include:

RATING MECHANISM	\$ IN 2017/18 (INC GST)	CHARGE TYPE
FIXED CHARGES		
Community facilities rate Used for: Libraries, parks and reserves, swimming pools, public halls and community centres.	\$15.395 million	Fixed
Districtwide wastewater disposal rate Used for: Wastewater disposal.	\$8.927 million	Fixed
Districtwide roading rate Used for: Roothing expenditure except for historic debt servicing costs. <i>Funding is apportioned between the fixed charge and land value based roading rate.</i>	\$6.409 million	Fixed
Districtwide water supply fixed rate Used for: Water supply system, excluding the Hautere/Te Horo Water scheme.	\$5.207 million	Fixed
Districtwide water supply volumetric rate Used for: Water supply system excluding the Hautere/Te Horo water scheme.	\$4.177 million	Fixed per m ³ of water used
Hautere/Te Horo water supply rate Used for: Water supply system for the Hautere/Te Horo water scheme.	\$0.297 million	Fixed per unit of water (1m ³ /day)
TOTAL COLLECTED THROUGH FIXED CHARGES	\$40.412 million	
LAND VALUE-BASED RATES		
Districtwide general rate Used for: Districtwide general expenses including democratic services, general insurance, emergency management, public toilets and cemeteries, social wellbeing, environmental sustainability, coastal protection of the Council's infrastructure, strategic flood protection and public contribution towards regulatory services which are not met by user charges	\$24.836 million	Relative to land value
Districtwide roading land value rate Used for: Roothing expenditure except for historic debt servicing costs. <i>Funding is apportioned between the land value based and the fixed charge roading rates.</i>	\$1.487 million	Relative to land value
TOTAL COLLECTED THROUGH LAND VALUE-BASED CHARGES	\$26.323 million	

RATING MECHANISM	\$ IN 2017/18 (INC GST)	CHARGE TYPE
CAPITAL VALUE-BASED RATES		
Districtwide stormwater rate Used for: Operating and loan servicing costs for stormwater in the district's stormwater drainage areas.	\$3.618 million	Relative to capital value
Community rates Used for: Historic debt servicing costs of roading and stormwater activities and other local Community Board grants, expenses and identified initiatives	Paraparaumu / Raumati: \$ 0.117 million Waikanae: \$ 0.143 million Ōtaki: \$0. 294 million Paekākāriki: \$0.074 million	Relative to capital value
<i>TOTAL COLLECTED THROUGH LAND VALUE-BASED CHARGES</i>	<i>\$4.246 million</i>	
TOTAL RATES COLLECTED	\$70.981 million	

Find out more

More information on Kāpiti Coast District rates is available on the Council website at kapiticoast.govt.nz/rates. Alternatively, give us a call us on **0800 486 486** or visit your local Council service centre.

Our *FutureKāpiti* Annual plan 2017/18 is available online at futurekapiti.kapiticoast.govt.nz

