

Rating System Review for Long-Term Plan 2024-34 Council Open Briefing

12 December 2023

Rating System Review Overview

- What is a rating system review
- Key principles
- Districtwide Revaluation
 - Overview
 - Impact on rates
- Affordability Study
- Options for Rating System changes
- Proposed increase in water fixed and volumetric rates



What is a Rating System Review

An effective rating review:

- Council decides the appropriate allocation of rates
- Achieves a balance among the funding principles, transparency and simplicity
- Community share its view on the proposals with council as part of the LTP
- Council can set a lawful rate

It is about considering the proportion of rates each ratepayer should pay.

Key Principles

- Council's rating system should be:
 - Equitable and affordable to all ratepayers
 - Sustainable to all ratepayers (now and in the future)
 - Fully aligned with Council's strategic vision
 - Simple to understand and easy to administer

2023 Districtwide Property Revaluation Process

- Effective date of 1 August 2023.
- Rating units Capital Value (CV) and Land Value(LV) assessed in accordance with legislation.
- Property data updates – constant process over 3 years.
- Rating unit is determined by the Valuer General. It is generally a property which has one record of title.
- Rates are set 1 July each year based on the rating unit as it is at 1 July.
- Changes in rating value, or sections receiving title after 1 July become rateable from the following 1 July.

Rates Impacts of the revaluation by sector

Using the status quo rating system, recovering the 2023/24 rates revenue requirement using the 2023 revaluations would result in residential ratepayers paying \$800,000 less, and Commercial/Industrial and lifestyle properties \$420,000 and \$350,000 more respectively.

	2023/24 Rates Current valuations (\$M)	2023/24 Rates New valuations (\$M)	% of Rates Share (Current Valuations)	% of Rates Share (New Valuations)	Change \$M
Commercial	11.86	12.28	10.32%	10.69%	0.42
Lifestyle	8.76	9.11	7.62%	7.93%	0.35
Other	0.96	0.97	0.84%	0.84%	0.01
Residential	92.12	91.31	80.14%	79.44%	(0.80)
Rural	1.25	1.27	1.08%	1.11%	0.03

Rates Include GWRC Rates (based on no change to 23/24) Incl GST
Excludes Water

Residential Dwelling Movements

Rates impacts are not consistent across the District (i.e. Otaki Central vs Waikanae Beach)

Area	Average 2023 CV	Average 2023 LV	CV Change %	LV Change %
Hautere/Waikanae Rural	\$1,143,000	\$560,000	18.33%	24.95%
Otaihanga & Paraparaumu Rural	\$823,000	\$462,000	11.22%	15.23%
Otaki Beach	\$596,000	\$316,000	10.53%	15.44%
Otaki Central	\$631,000	\$317,000	18.91%	27.26%
Otaki Rural	\$749,000	\$421,000	18.64%	27.62%
Paekakariki	\$930,000	\$602,000	14.57%	25.44%
Paraparaumu Beach	\$857,000	\$478,000	12.69%	13.23%
Paraparaumu Central	\$703,000	\$379,000	8.28%	11.79%
Raumati Beach	\$893,000	\$522,000	11.34%	15.22%
Raumati South	\$856,000	\$522,000	12.18%	18.84%
Waikanae Beach	\$884,000	\$539,000	7.70%	10.01%
Waikanae East & Hemi Matenga	\$856,000	\$398,000	13.05%	20.03%
Waikanae Garden Area	\$881,000	\$460,000	11.64%	15.22%
Overall	\$810,000	\$451,000	11.84%	15.68%

Residential Sector - Key Points

- The peak of the market in Kapiti Coast was in December 2021 when the average value was at \$1,008,088
- Since January 2022, the residential property market in Kapiti has continued to fall until May 2023
- In the three months from May 2023 to August 2023, the market has shown signs of stabilisation

Average Capital Value: \$810,000 (+11.8%)

Average Land Value: \$451,000 (+15.7%)

Commercial & Industrial Movements

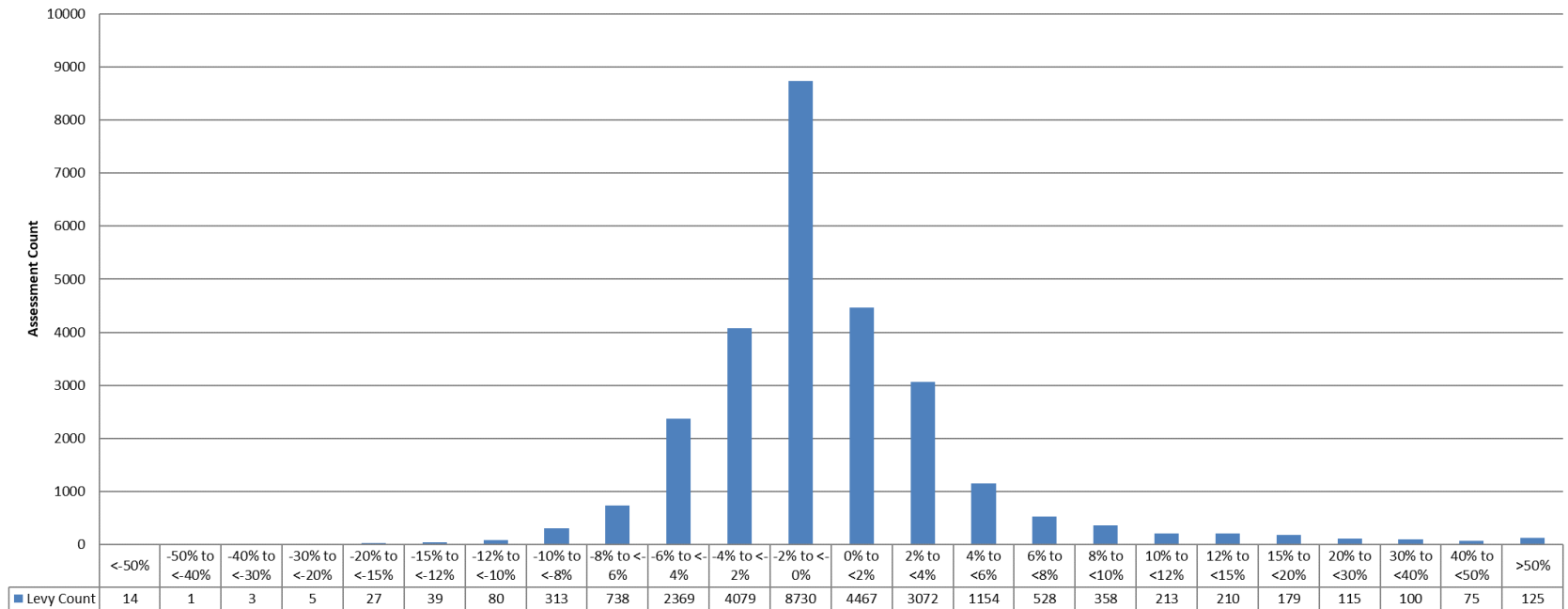
Sales Group	Commercial CV % Change	Commercial LV % Change	Industrial CV % Change	Industrial LV % Change
Hautere/Waikanae Rural	0.0%	17.6%	N/A	N/A
Otaihanga & Paraparaumu Rural	33.5%	31.2%	17.8%	15.1%
Otaki Beach	13.6%	20.1%	67.9%	20.5%
Otaki Central	9.9%	5.5%	82.5%	100.4%
Otaki Rural	8.2%	50.9%	97.0%	108.7%
Paekakariki	-0.3%	-2.9%	16.1%	25.0%
Paraparaumu Beach	13.4%	14.8%	32.5%	29.5%
Paraparaumu Central	13.1%	23.7%	27.6%	30.0%
Raumati Beach	18.5%	20.3%	31.9%	29.6%
Raumati South	14.6%	25.2%	N/A	N/A
Waikanae Beach	7.0%	15.6%	8.2%	9.3%
Waikanae East & Hemi Matenga	24.0%	23.1%	4.3%	15.2%
Waikanae Garden Area	15.7%	28.1%	2.8%	14.8%
Total	13.9%	19.8%	40.7%	48.1%

Commercial and Industrial Sector – Key Points

- Demand for industrial properties has grown especially in Otaki with the completion of Transmission Gully and Peka Peka to Otaki expressway
- Otaki Industrial properties have seen the biggest increase – they are coming from a low base to start with

Impact of valuation on 2023/24 rates - all properties

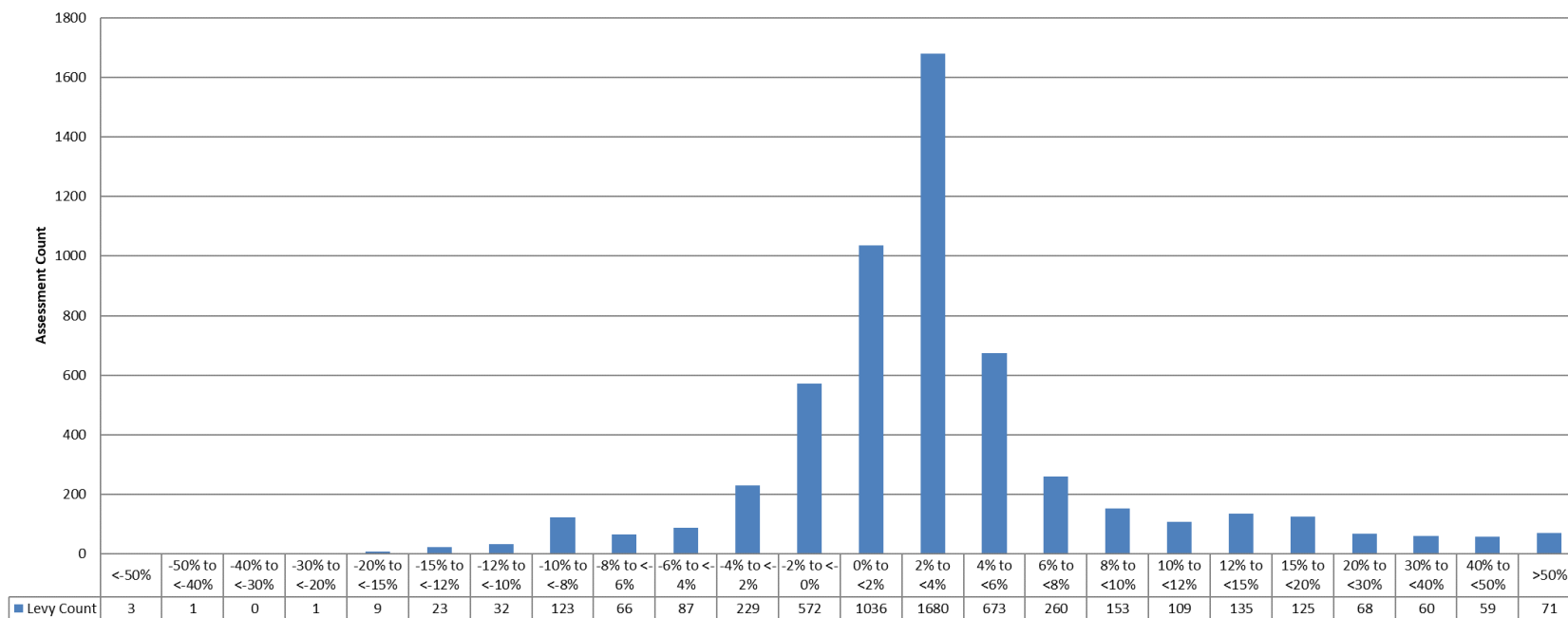
Valuation Impact on Rates - All Properties



2023/24 rates excluding water rates, new valuations

Impact of valuation Otaki - all property types

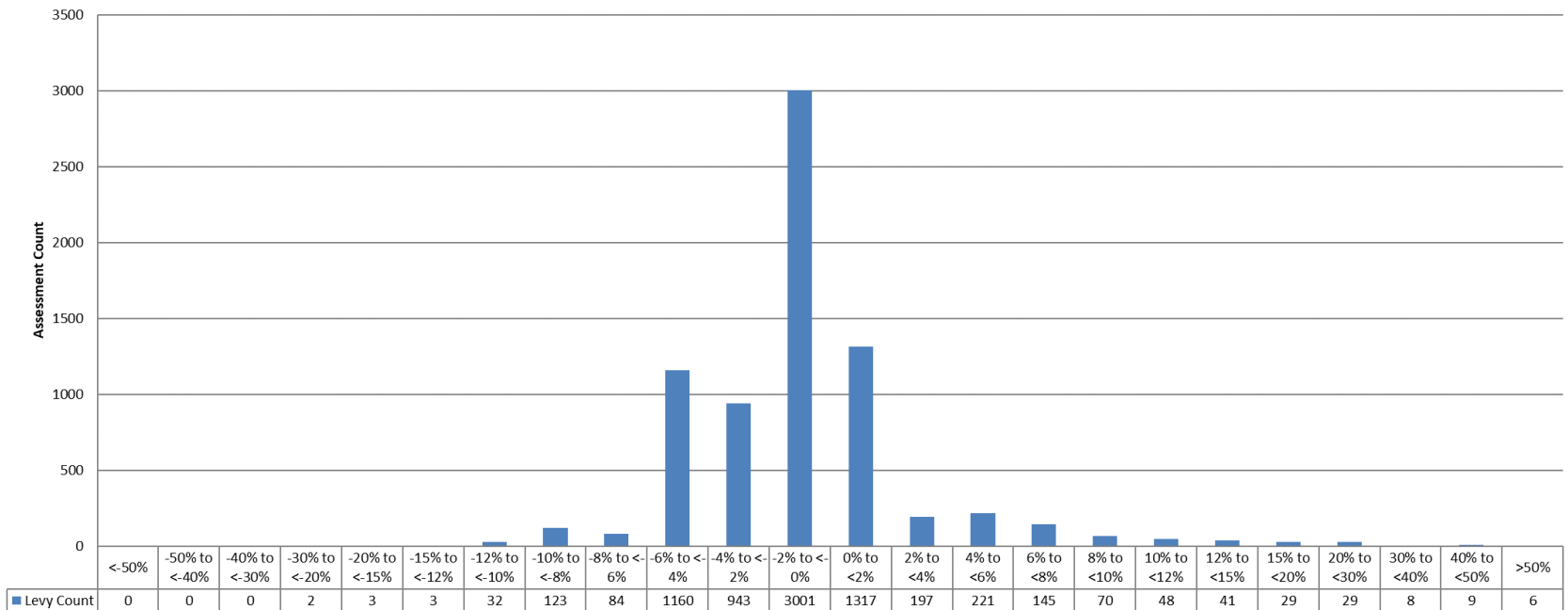
Valuation Impact on Rates - Otaki all properties



2023/24 rates excluding water rates, new valuations

Impact of valuation Waikanae - all property types

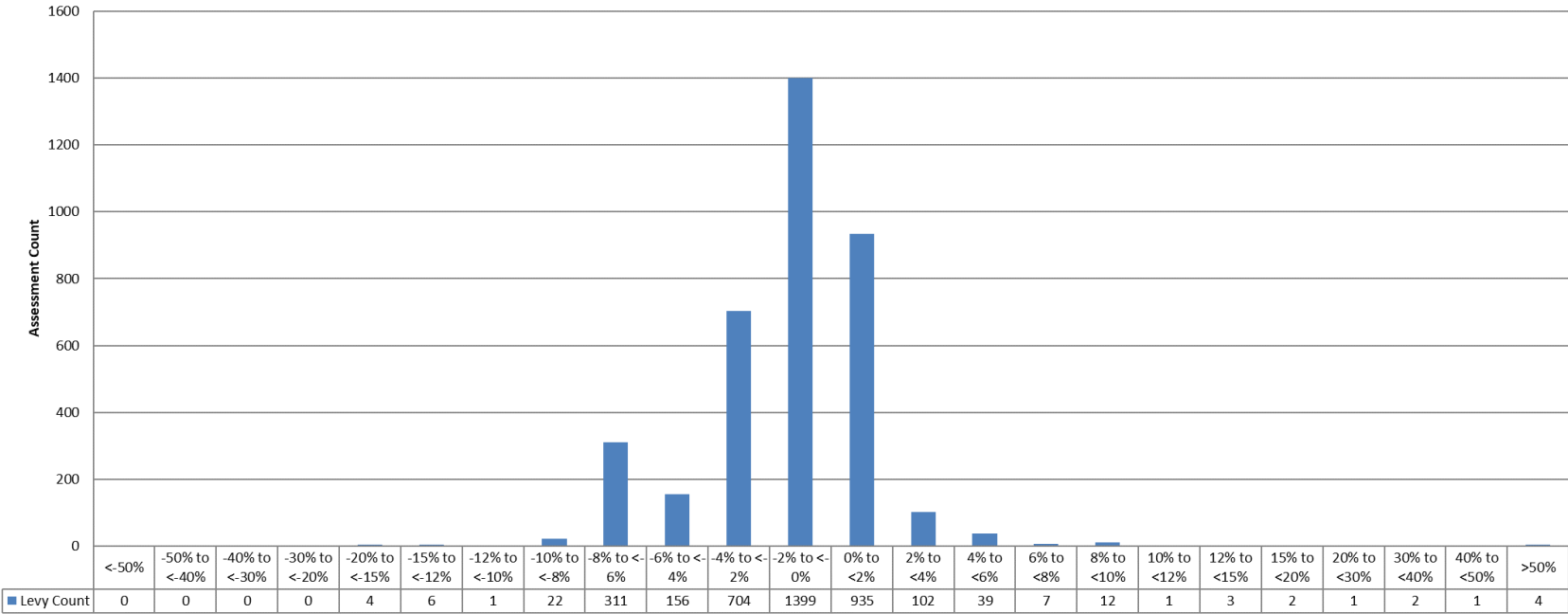
Valuation Impact on Rates - Waikanae all properties



2023/24 rates excluding water rates, new valuations

Impact of valuation Raumati - all property types

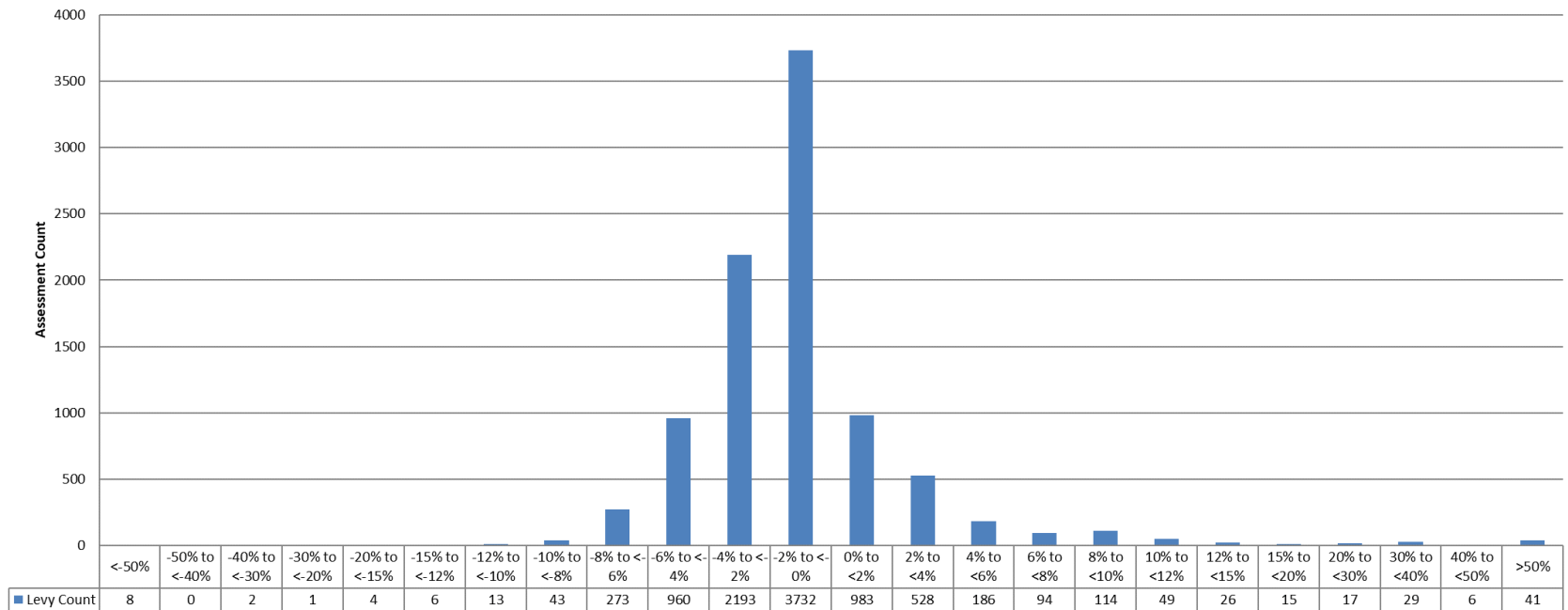
Valuation Impact on Rates - Raumati all properties



2023/24 rates excluding water rates, new valuations

Impact of valuation Paraparaumu - all property types

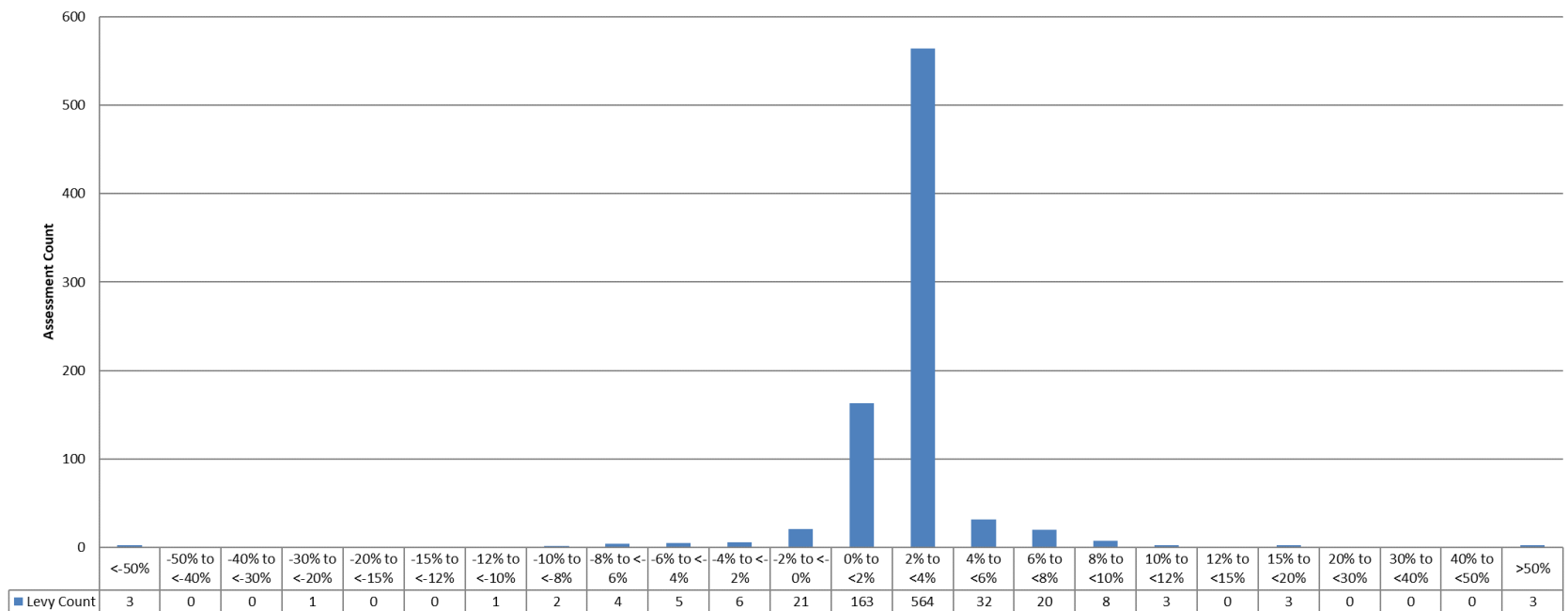
Valuation Impact on Rates - Paraparaumu all properties



2023/24 rates excluding water rates, new valuations

Impact of valuation Paekakariki - all property types

Valuation Impact on Rates - Paekakariki all properties



2023/24 rates excluding water rates, new valuations

2023 Districtwide Revaluation Objection Process

- Objection closing date is 14th December 2023 – 179 objections received as at 7th December
 - 148 Residential
 - 21 Lifestyle
 - 3 Commercial/Industrial
 - 2 Rural
 - 5 Utility
- 376 objections received in 2020 (1.45%)
- 526 objections in 2017 (2.05%)
- Objections reviewed between December 2023 – May 2024

Affordability Study

We commissioned infometrics to provide:

- Rates/household income broken down to area unit and meshblock level
- Meshblocks have varying populations and are the lowest level that we can obtain income data from Statistics NZ
- Area units are sorted from least affordable to most affordable based on mean rates as a % of mean household income
- Rates include KCDC, GWRC and water rates
- Rates include GST
- The infometrics property rates data is 2023/24 and 2022/23 water rates data
- Rates are before any rebates or remissions
- Income is from the 2022 census, and is not adjusted

Affordability Results

- The Shand report (2007) suggests rates should be no more than 5% of household income
- Our affected areas are Waikanae West and Waikanae Beach and Paraparaumu Beach East. This compares favourably with the previous affordability study carried out for the 2021-41 Long Term Plan which saw eight areas with rates greater than 5% of Household income.
- Districtwide rates as a % of household income has reduced from 5% in 2021 to 4.7% in the latest study

SA2 ID	SA2 Name	Total rates (2023)	Total properties (2023)	Mean rates (2023)	Mean household income (2022)	Rates as % of mean income (2022)
237600	Waikanae West	\$5,045,083	998	\$4,598	\$85,877	5.4%
236800	Waikanae Beach	\$9,910,052	1,983	\$5,315	\$100,919	5.3%
237300	Paraparaumu Beach East	\$919,682	253	\$4,740	\$91,364	5.2%
237500	Paraparaumu North	\$6,760,484	1,298	\$4,717	\$95,271	5.0%
237100	Paraparaumu Beach West	\$5,816,758	1,564	\$4,806	\$98,604	4.9%
238300	Raumati Beach East	\$1,263,595	331	\$4,508	\$93,209	4.8%
237200	Waikanae Park	\$10,640,005	2,002	\$4,550	\$95,145	4.8%
237000	Paraparaumu Beach North	\$1,736,929	327	\$4,729	\$99,403	4.8%
237800	Paraparaumu Central	\$3,504,842	799	\$4,105	\$87,863	4.7%
236700	Waitohu	\$4,891,571	949	\$3,815	\$82,145	4.6%
238600	Paekakariki	\$2,143,194	684	\$4,574	\$100,702	4.5%
238100	Waikanae East	\$6,986,783	1,387	\$4,471	\$98,856	4.5%
238500	Raumati South	\$1,133,114	302	\$4,715	\$108,116	4.4%
238400	Paraparaumu East	\$7,603,156	1,517	\$4,094	\$93,962	4.4%
238000	Raumati Beach West	\$1,930,036	439	\$4,832	\$111,540	4.3%
237400	Otaihanga	\$4,281,199	1,107	\$4,930	\$115,160	4.3%
236300	Otaki Beach	\$4,283,444	823	\$3,610	\$84,658	4.3%
236500	Otaki	\$5,869,963	1,144	\$3,506	\$82,424	4.3%
236400	Forest Lakes (Kapiti Coast District)	\$7,566,092	1,549	\$3,623	\$102,988	3.5%
237900	Maungakotukutuku	\$7,290,541	1,488	\$4,186	\$120,547	3.5%
236900	Peka Peka	\$3,549,784	727	\$3,532	\$107,547	3.3%
237700	Otaki Forks	\$4,741,235	1,032	\$3,520	\$114,518	3.1%
236600	Te Horo	\$1,803,455	462	\$2,959	\$110,612	2.7%
	Kapiti Coast District	\$109,670,995	23,165	\$4,734	\$101,362	4.7%

5% of household income affordability threshold

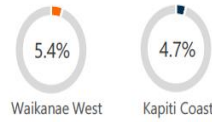
Areas with highest rates as % of household income

Waikanae West at a glance

Summary, 2022

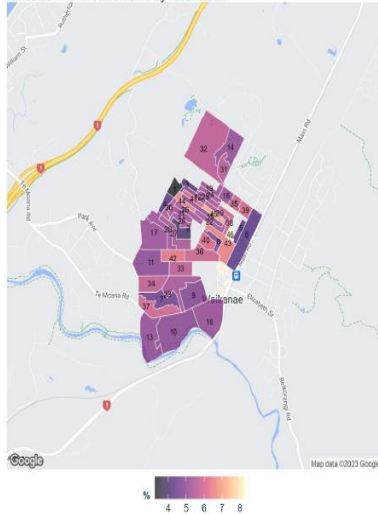
	Waikanae West	Kapiti Coast
Population	4,710	57,710
Mean household income	\$85,877	\$101,362
Mean rates	\$4,598	\$4,734

Rates as a proportion of income



Heatmap (lighter colour = higher burden)

Rates burden in Waikanae West
Rates as % of mean income by meshblock

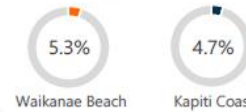


Waikanae Beach at a glance

Summary, 2022

	Waikanae Beach	Kapiti Coast
Population	3,520	57,710
Mean household income	\$100,919	\$101,362
Mean rates	\$5,315	\$4,734

Rates as a proportion of income



Heatmap (lighter colour = higher burden)

Rates burden in Waikanae Beach
Rates as % of mean income by meshblock



Paraparaumu Beach East at a glance

Summary, 2022

	Paraparaumu Beach East	Kapiti Coast
Population	2,740	57,710
Mean household income	\$91,364	\$101,362
Mean rates	\$4,740	\$4,734

Rates as a proportion of income



Heatmap (lighter colour = higher burden)

Rates burden in Paraparaumu Beach East
Rates as % of mean income by meshblock

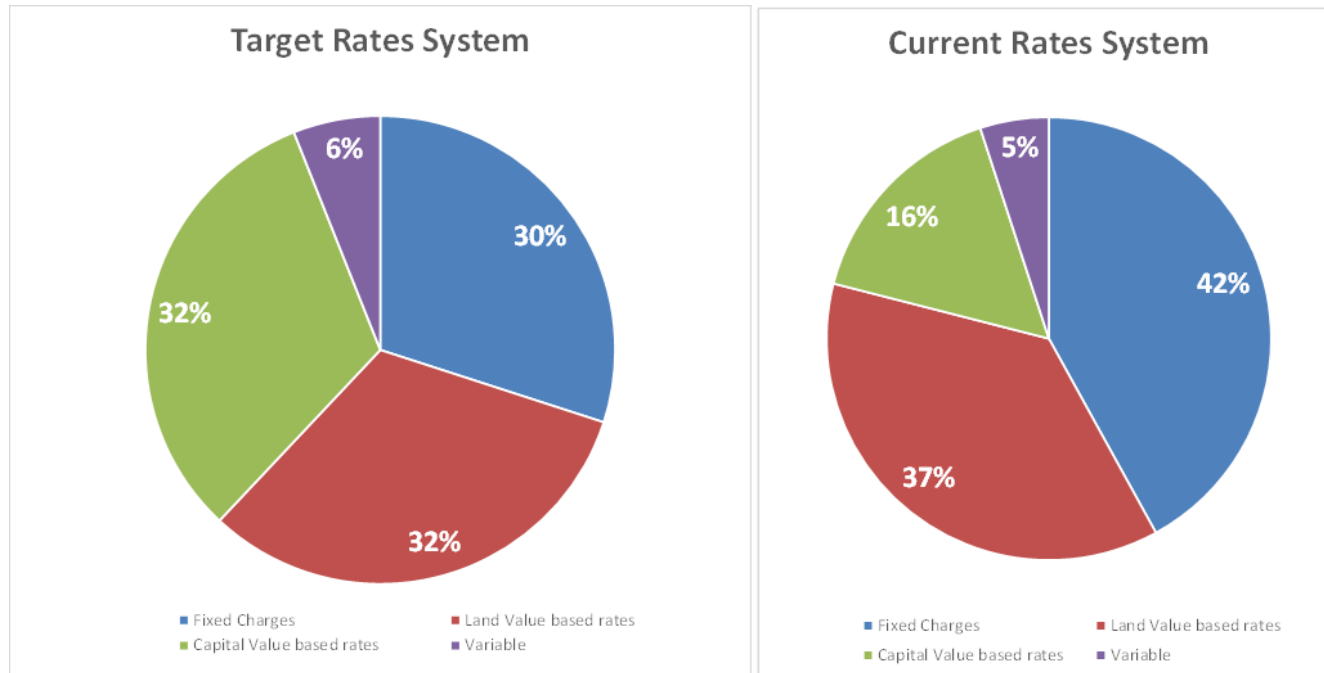


Conclusions from Rates Affordability Information

- Rates affordability in the district is still a concern in some areas, but has improved since the last affordability study carried out in 2021
- This is **before** any rebates or remissions have been applied
- Over 2,500 households received the government rates rebate in 2022/23, and over 1,600 so far in 2023/24. Maximum rebate is \$750 per household in 2023/24
- And we provide our own rates assistance remission
 - This is up to \$300 per household (average \$240 in 2022/23)
 - 1300 remissions granted in 2022/23
 - *This would be on top of the government rebate*
- We can improve the affordability issue using Government Rebates and our rates assistance remission but not eradicate it

Review of the Rating System

Target vs Current Rating System Mix



Changes made as part of the last rating review in 2020/21 to move closer to our target rating system mix

- moved the remaining land value based targeted roading rate to capital value and
- transferred a further \$225k for economic development from the land value based districtwide general rate to the capital value based Commercial rate.

Review of rating system

Options considered

Options	Current	Proposed
Option 1 – Retain current rating system as status quo	Refer to slide 20 for current rating system	N/A
Option 2 – Introduce Climate Action Target Rate based on capital value (CV)	Fund through the Districtwide General rate based on land value (LV)	Transfer from the Districtwide General Rate to a new Districtwide Climate Action Targeted Rate based on CV. (Note: graphs and modelling based on \$500k + GST rates requirement)
Option 3 – Change Community Facilities targeted Rate based on SUIP to CV	Fixed charge per separately used inhabited part of a rating unit (SUIP)	Districtwide charge based on CV
Option 4 – Introduce Climate Action Targeted Rate and Change Community Facilities Targeted Rate	As above	Combination of options 2 and 3

Option 1: Status quo rating system

2023/24 rates			proposed 2024/25 rates 12% increase 0.80% growth		2023/24			proposed 2024/25 rates 12% increase 0.80% growth	
Rating category	\$,000 incl GST	%	\$,000 incl GST	%	Rating category	\$,000 incl GST	%	\$,000 incl GST	%
General rate (land value - LV)	37,047	35%	41,660	35%	Paraparaumu/Raumati community targeted rate (CV)	181	0.2%	196	0.2%
Community facilities targeted rate (fixed charge per separately used or inhabited part of a rating unit - SUIP)	25,981	25%	29,011	25%	Waikanae Community targeted rate (CV)	110	0.1%	120	0.1%
Roading targeted rate (capital value - CV)	13,977	13%	16,851	14%	Otaki community targeted rate (CV)	84	0.1%	94	0.1%
Stormwater targeted rate (CV)	2,767	3%	3,259	3%	Paekakariki community targeted rate (CV)	55	0.05%	46	0.04%
Water supply targeted rate (fixed and variable)	12,198	12%	15,001	13%	Commercial targeted rate (CV)	758	0.7%	947	0.8%
Hautere/Te Horo Water supply targeted rate (fixed)	332	0.3%	358	0.3%	Water conservation device loan targeted rate (applicable only to properties with a water conservation device loan)	58	0.06%	58	0.05%
Wastewater targeted rate (fixed)	10,948	10%	10,275	9%					

Option 1: Impact of proposed 2024/25 rates increase on status quo current rating system

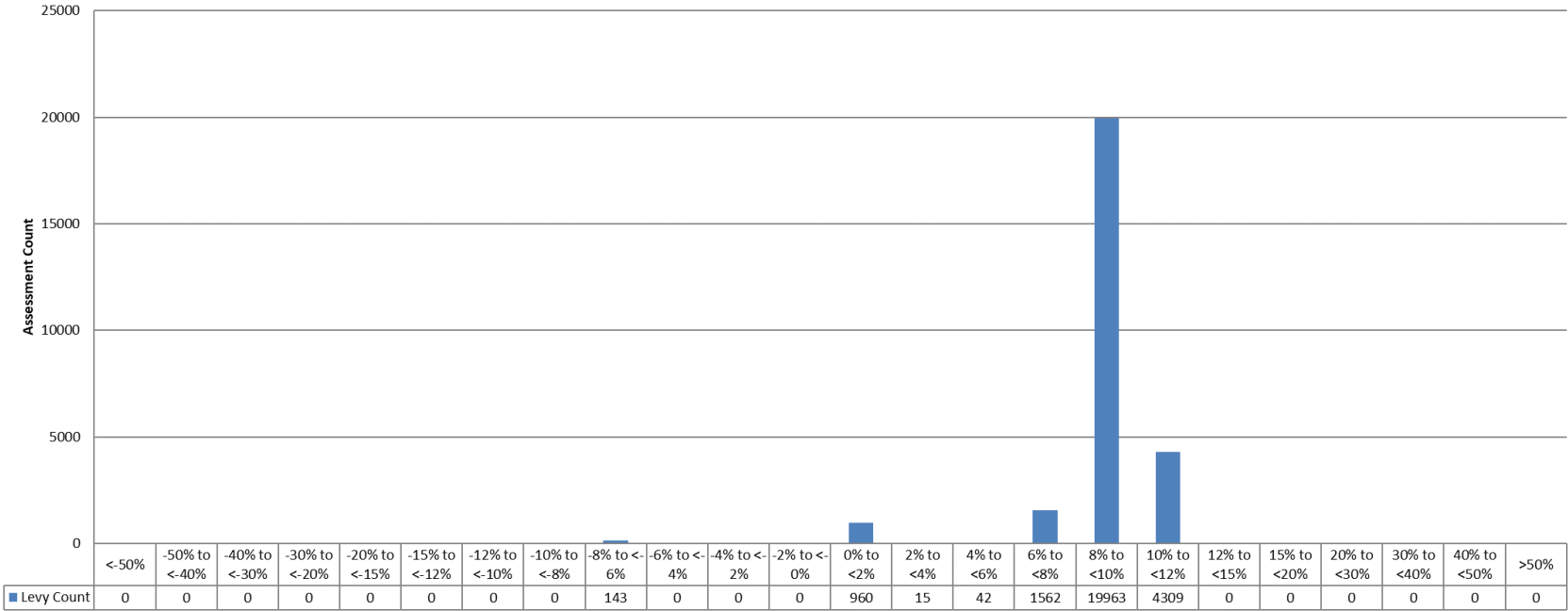
	2023/24 Rates		2024/25 Proposed Rates		Change
	New Valuations	New Valuations	Rates Share 2023/24	Rates Share 2024/25	
	(\$M)	(\$M)	%	%	
Commercial	12.28	13.39	10.69%	10.69%	1.10
Lifestyle	9.11	10.07	7.93%	8.04%	0.96
Other	0.97	1.01	0.84%	0.81%	0.05
Residential	91.31	99.33	79.44%	79.34%	8.01
Rural	1.27	1.40	1.11%	1.12%	0.13

Rates Include GWRC Rates (based on no change to 23/24) Incl GST
Excluding Water

This compares the 2023/24 rates requirement based on new valuations to proposed 2024/25 rates requirements (12% increase, 0.80% growth) using the status quo rating system. Residential ratepayers will contribute \$8 million of the proposed increase.

Option 1: Impact of rates increase on status quo rating system – all areas

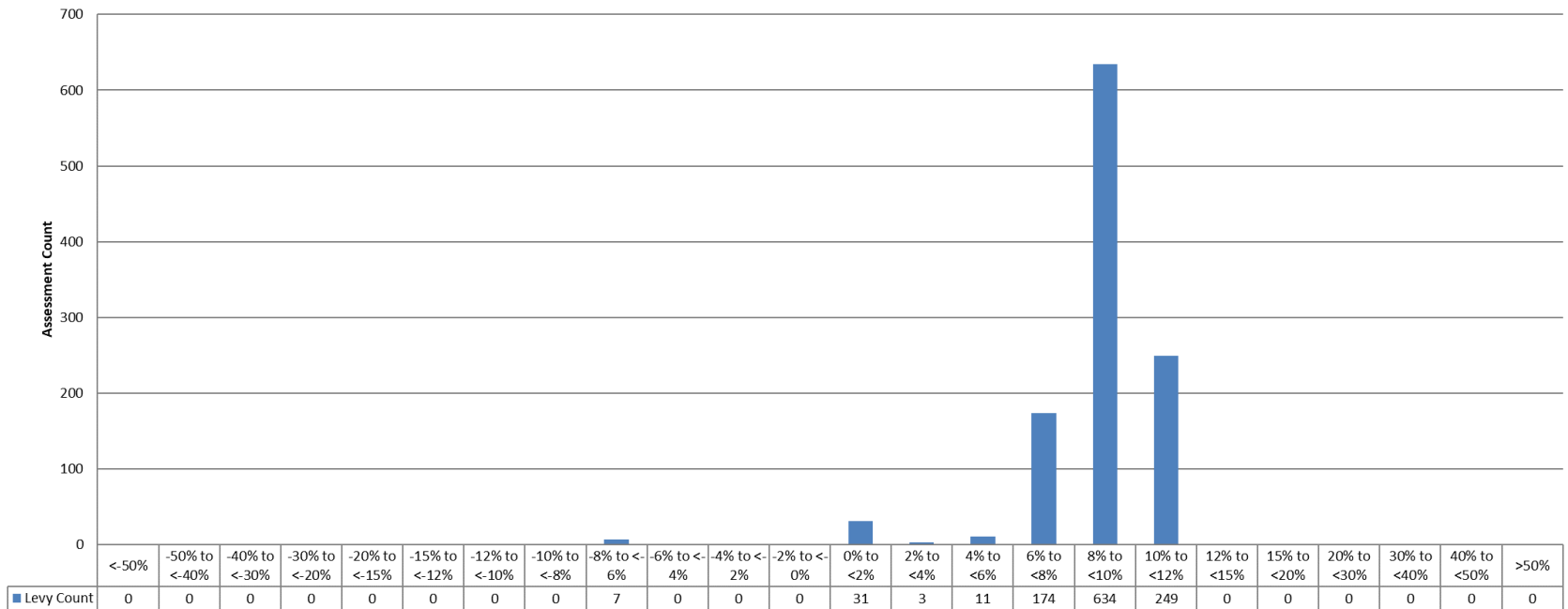
Budget Impact on Rates - All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Impact of rates increase on status quo rating system – all areas

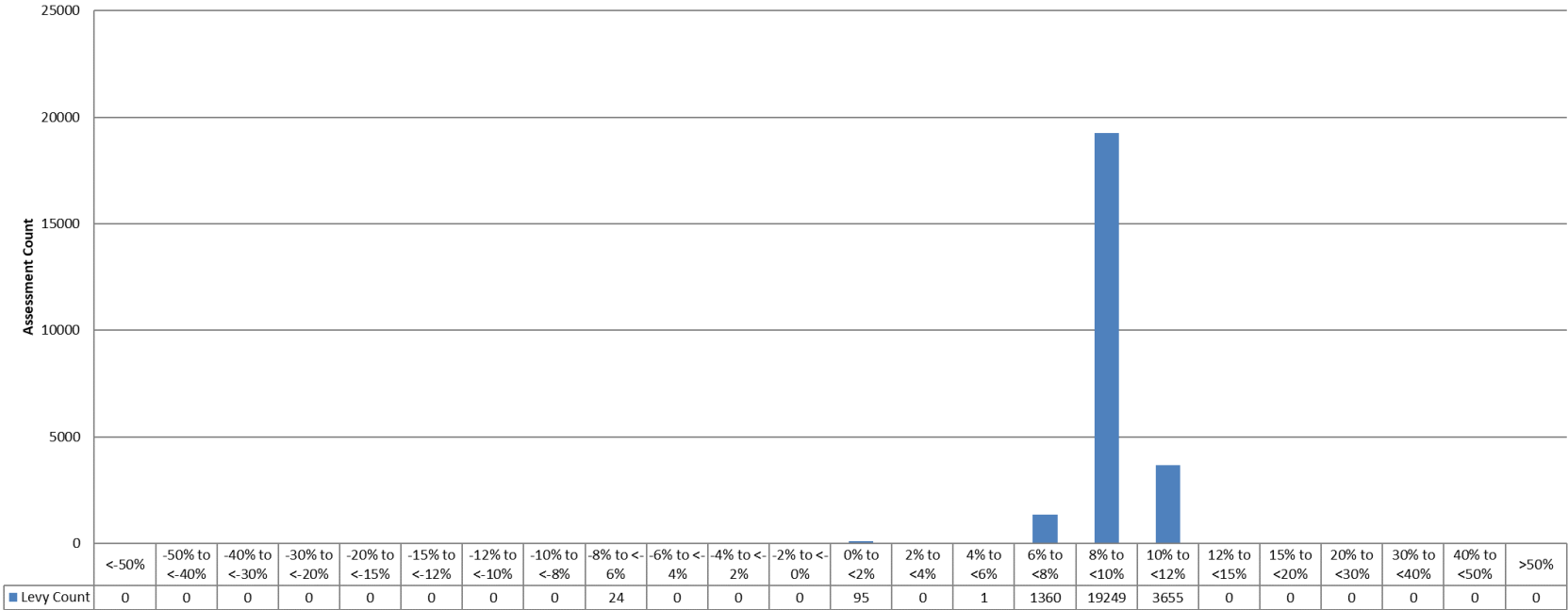
Budget Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Impact of rates increase on status quo rating system – all areas

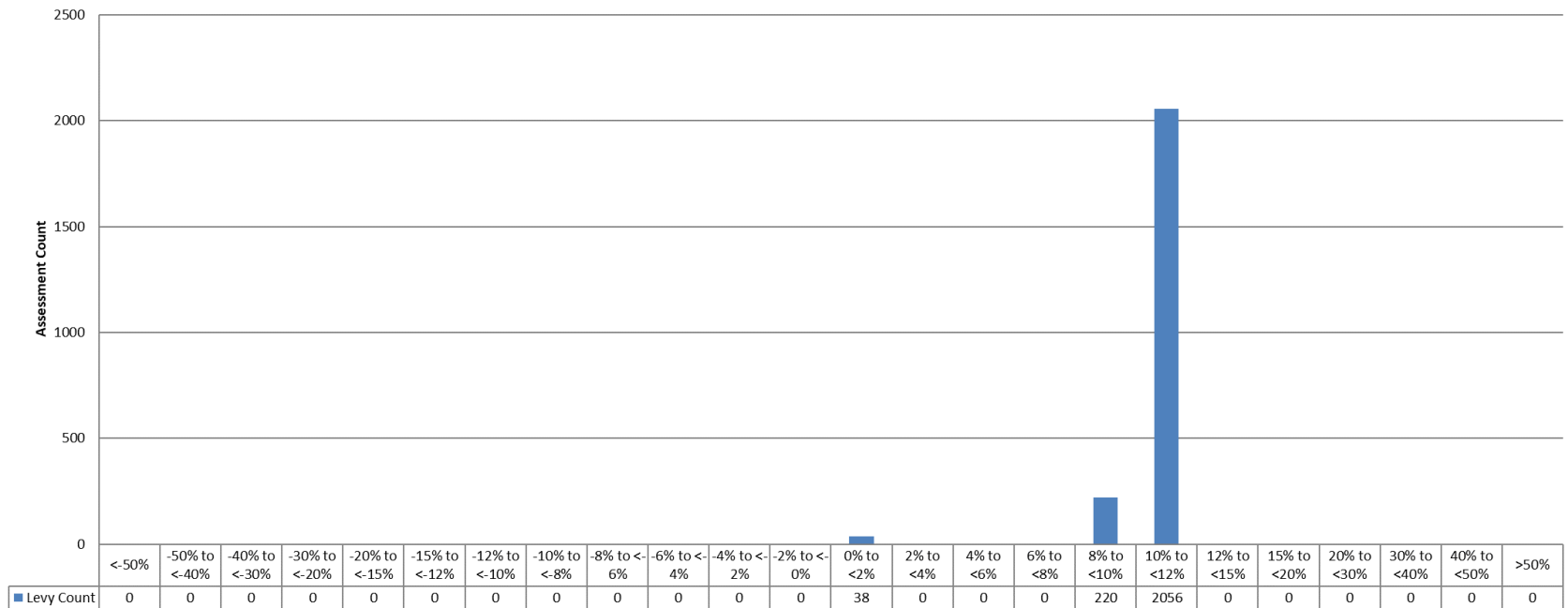
Budget Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Impact of rates increase on status quo rating system – all areas

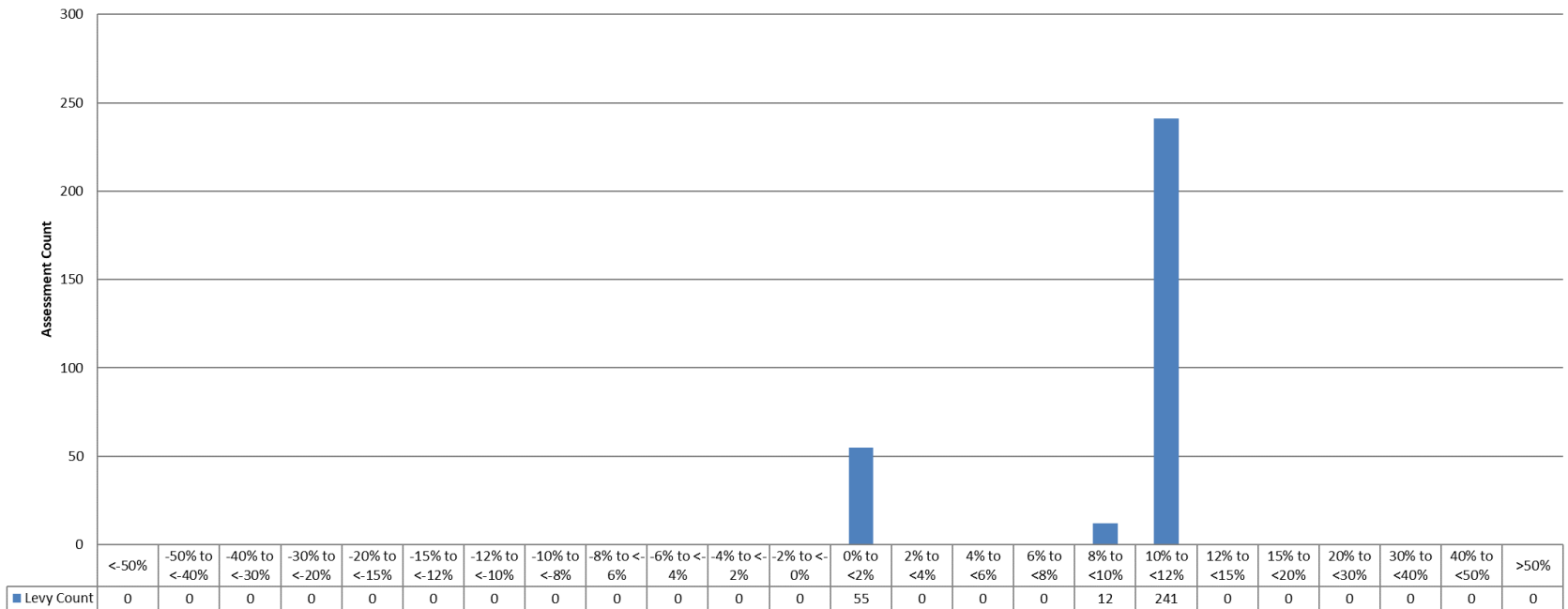
Budget Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Impact of rates increase on status quo rating system – all areas

Budget Impact on Rates - Rural

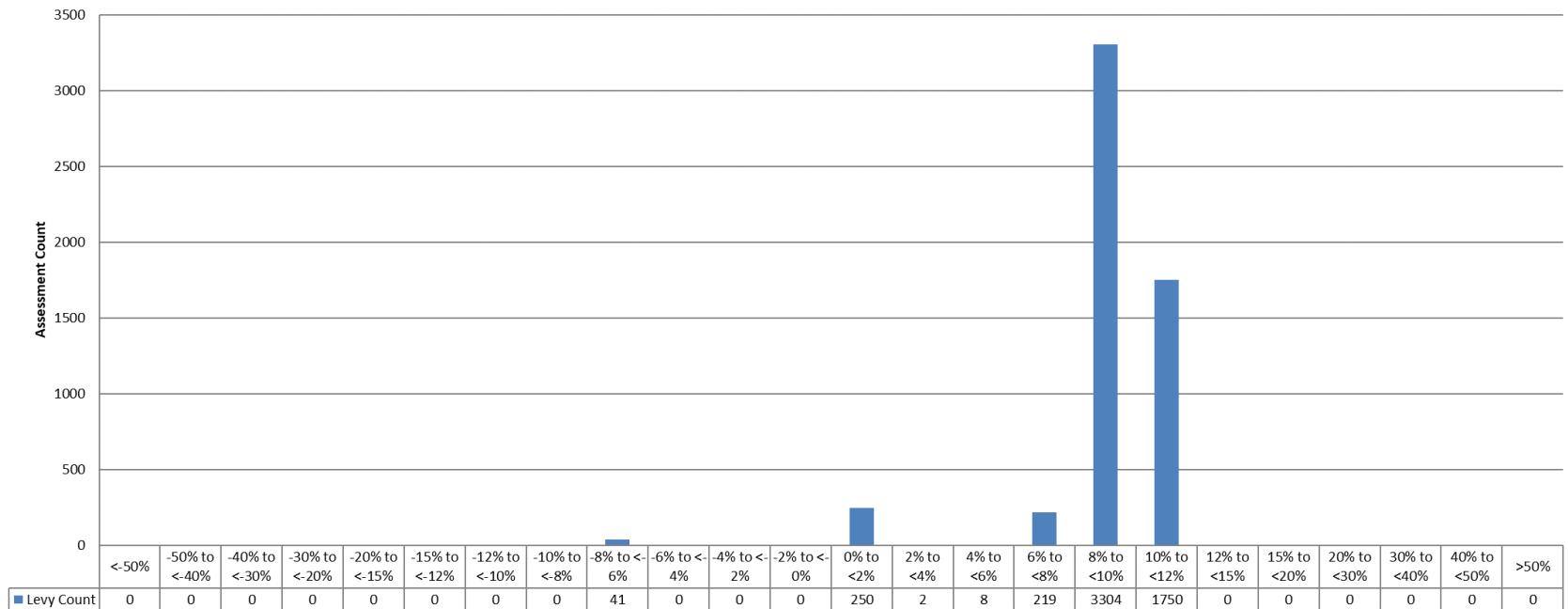


Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area

Otaki – status quo rating system

Budget Impact on Rates - Otaki All Properties

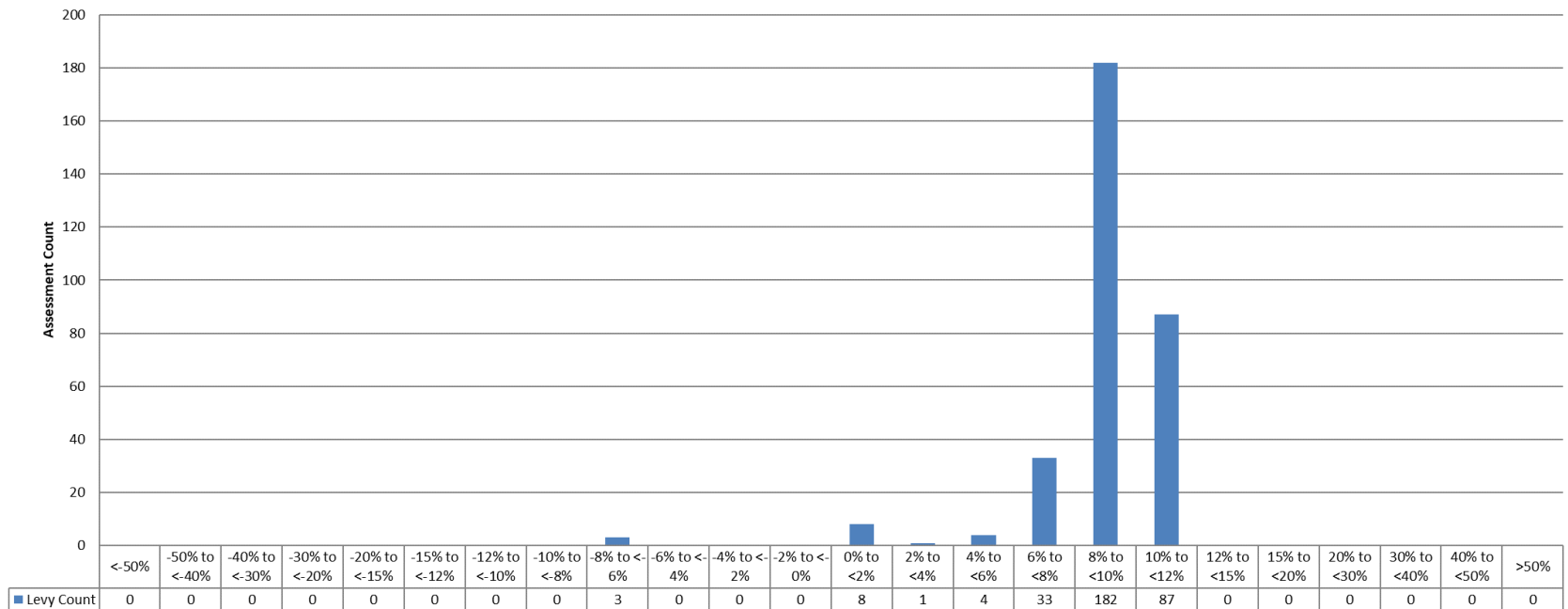


Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area

Otaki – status quo rating system

Budget Impact on Rates - Commercial

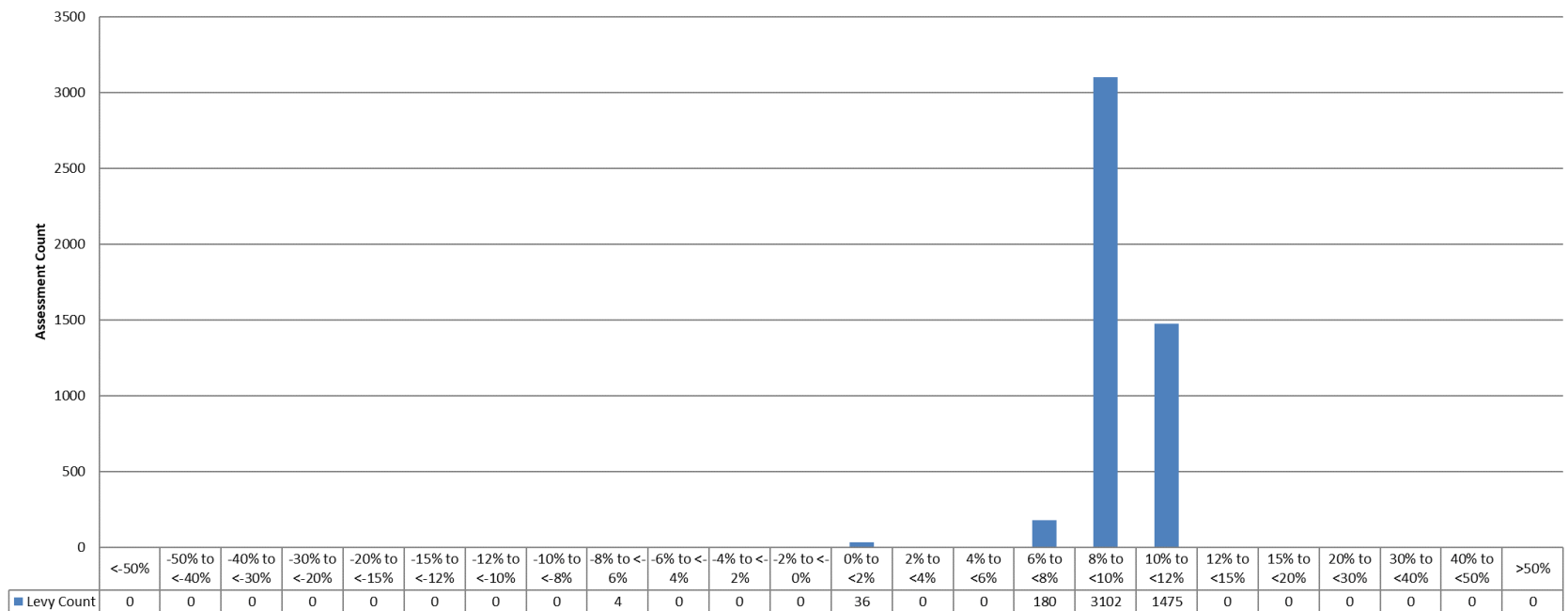


Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area

Otaki – status quo rating system

Budget Impact on Rates - Residential

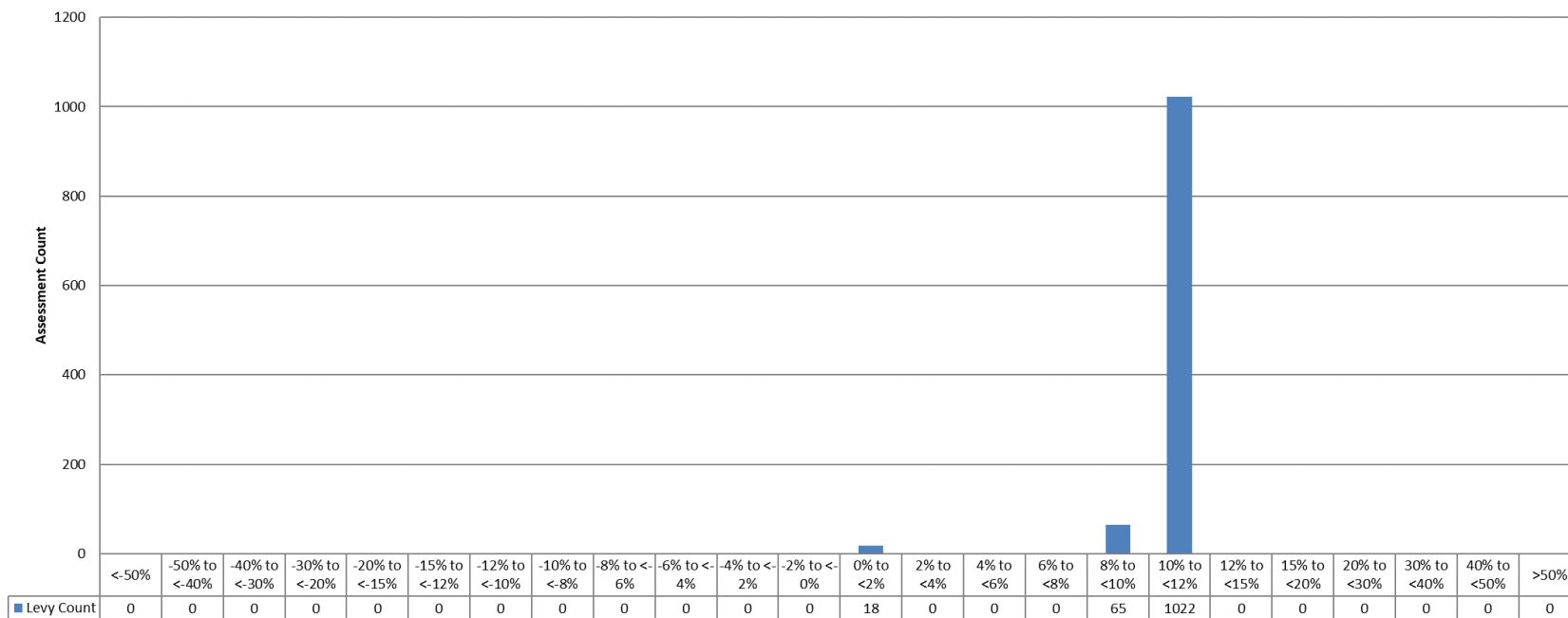


Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area

Otaki – status quo rating system

Budget Impact on Rates - Lifestyle

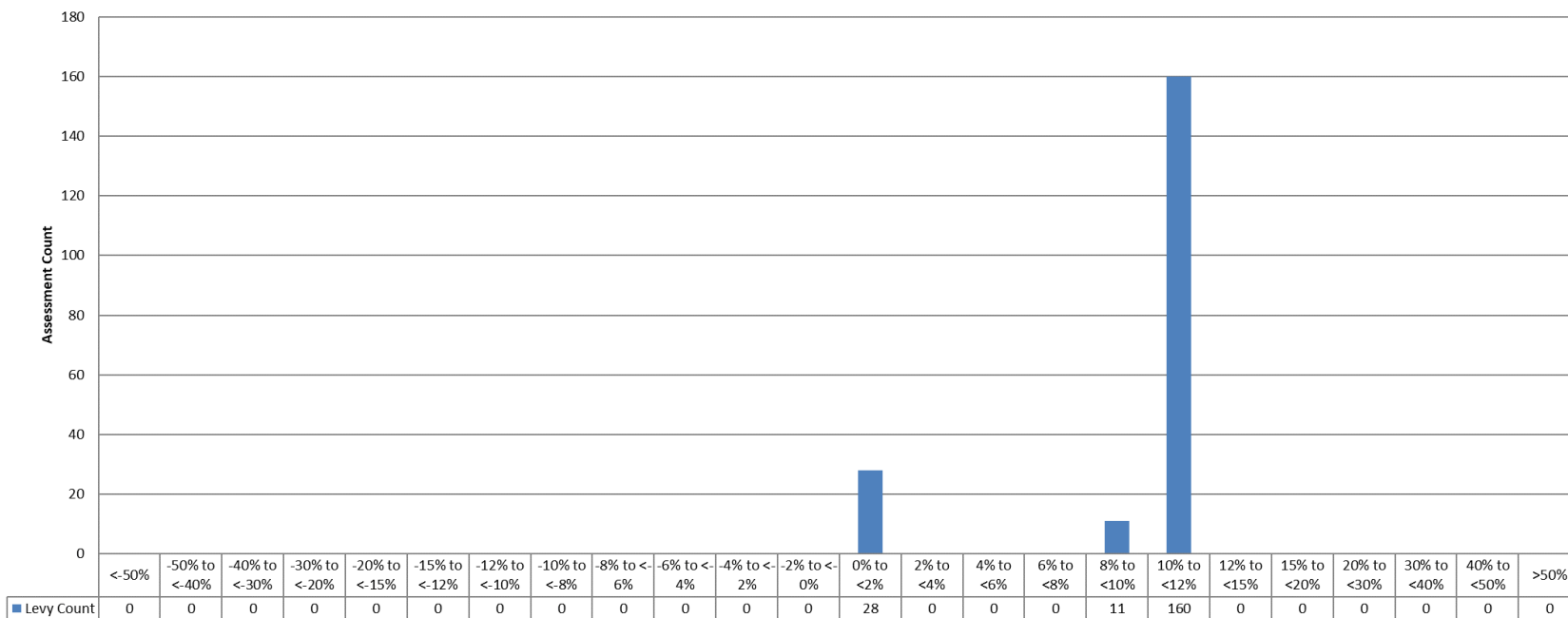


Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area

Otaki – status quo rating system

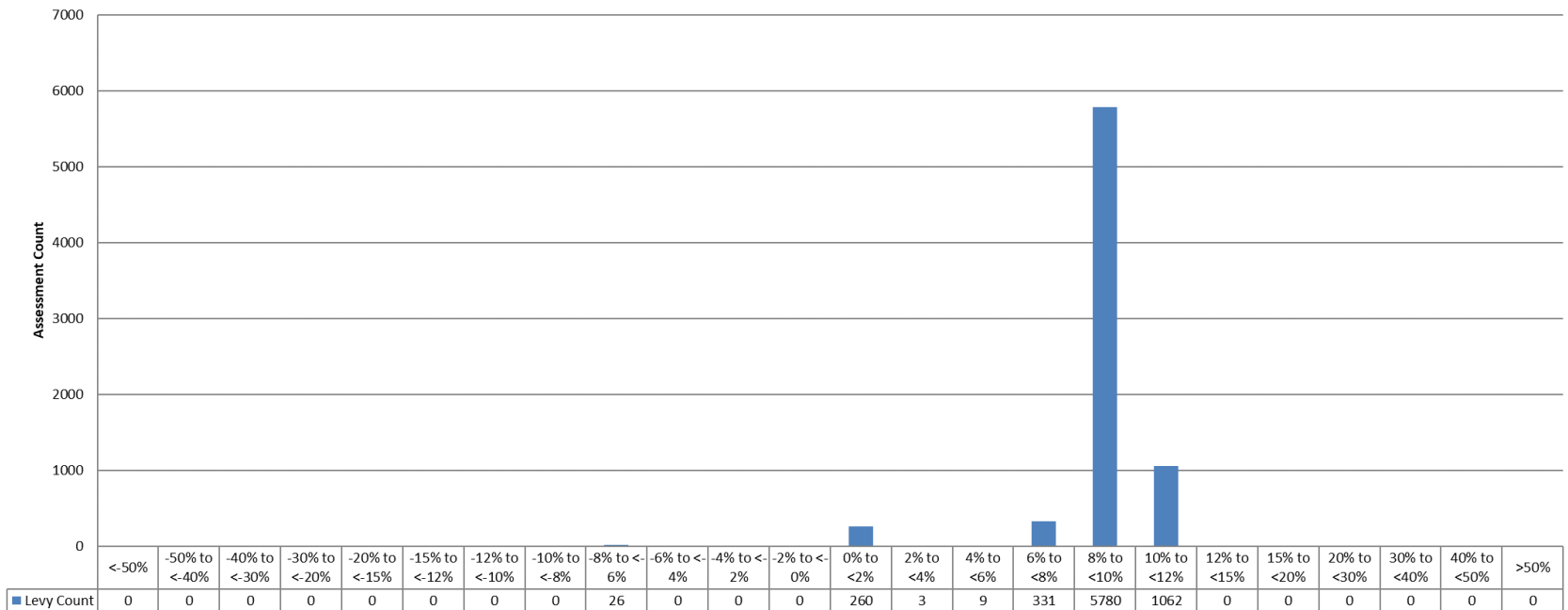
Budget Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Waikanae – status quo rating system

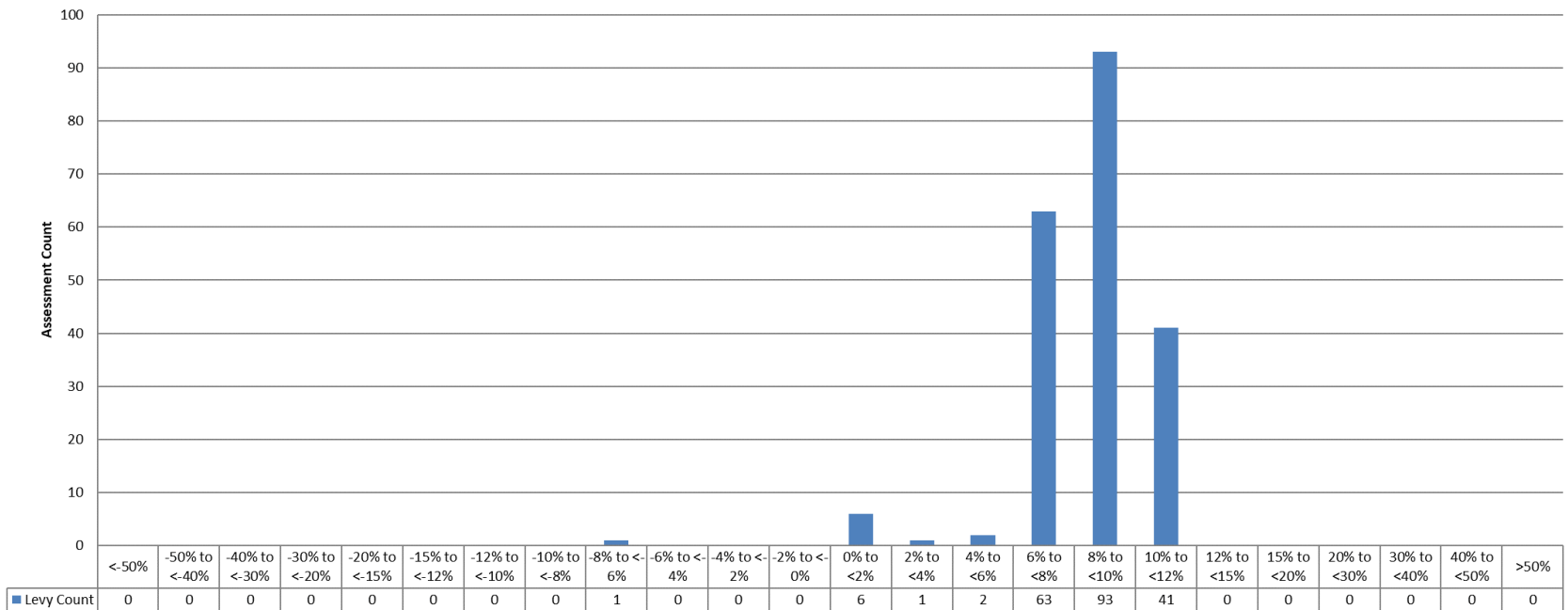
Budget Impact on Rates - Waikanae All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Waikanae – status quo rating system

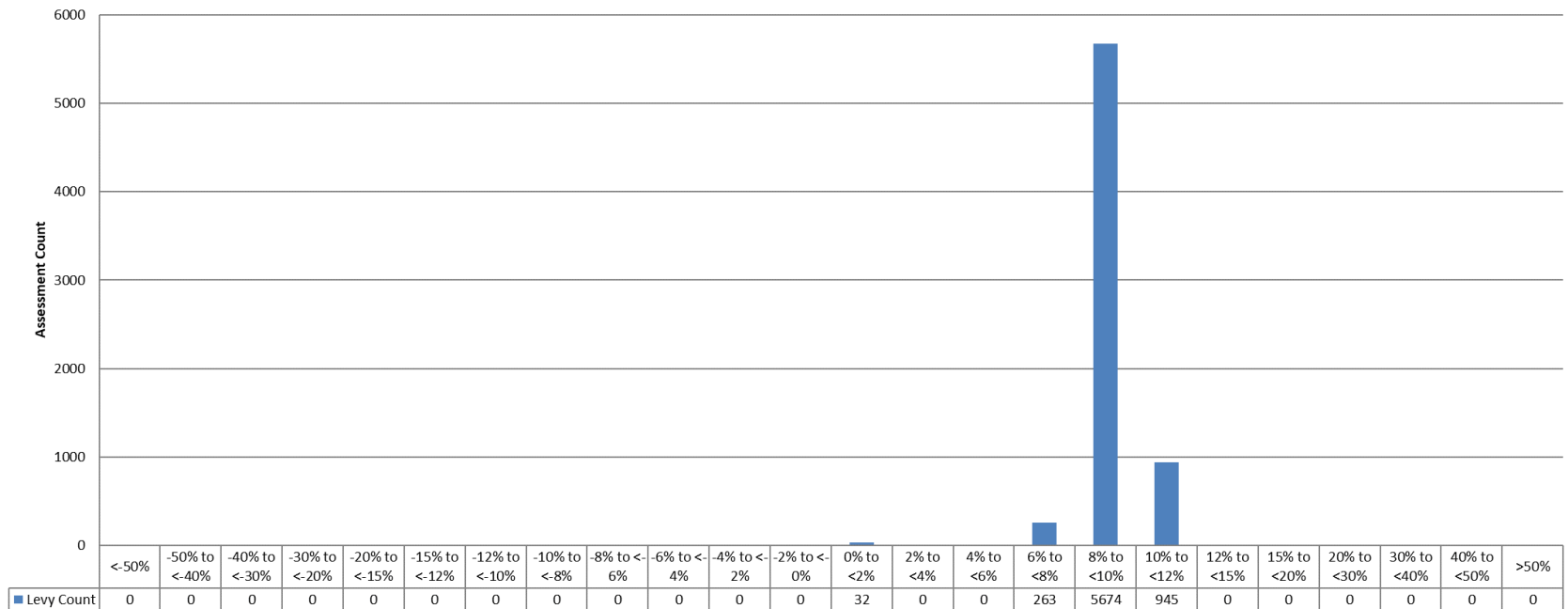
Budget Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Waikanae – status quo rating system

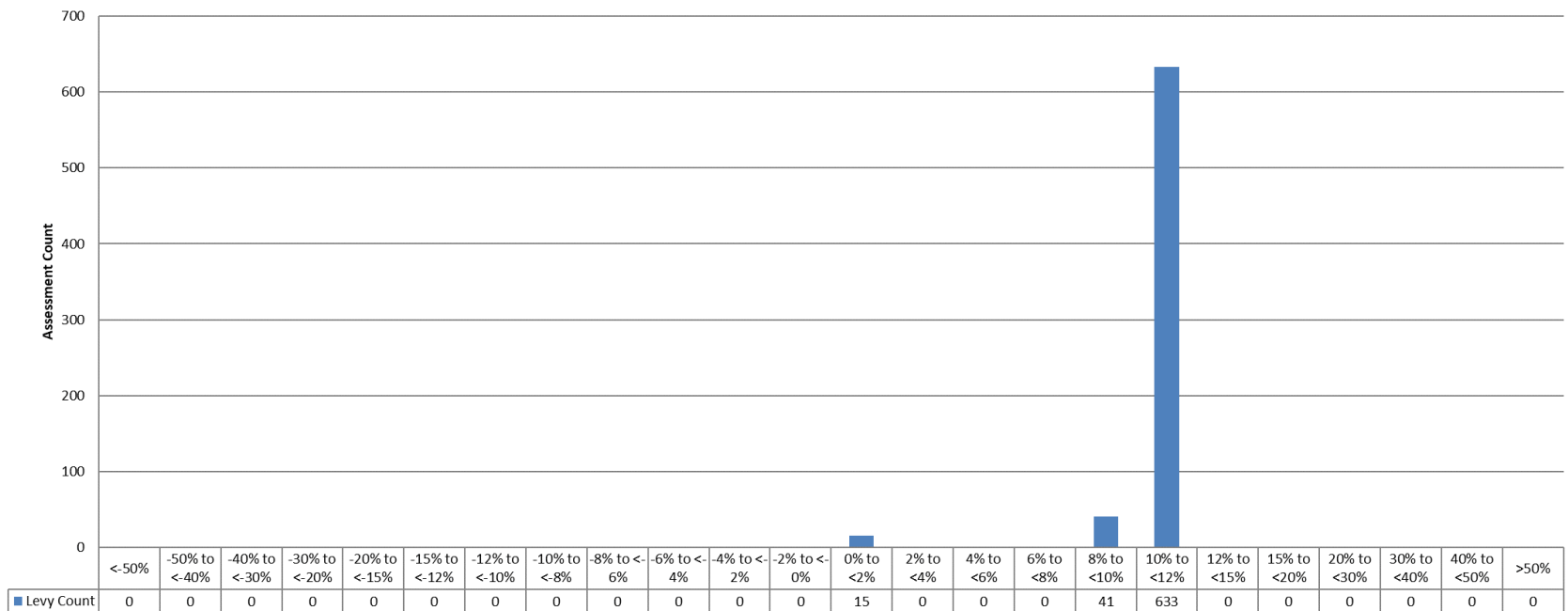
Budget Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Waikanae – status quo rating system

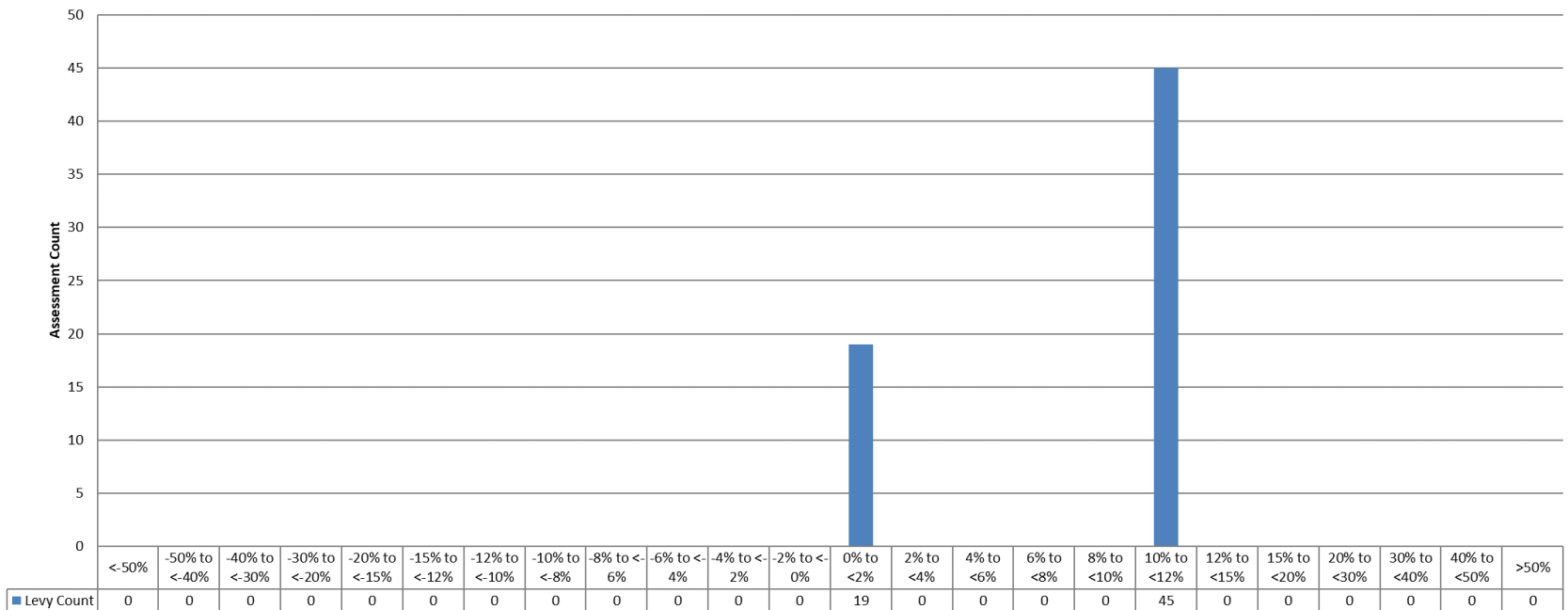
Budget Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Waikanae – status quo rating system

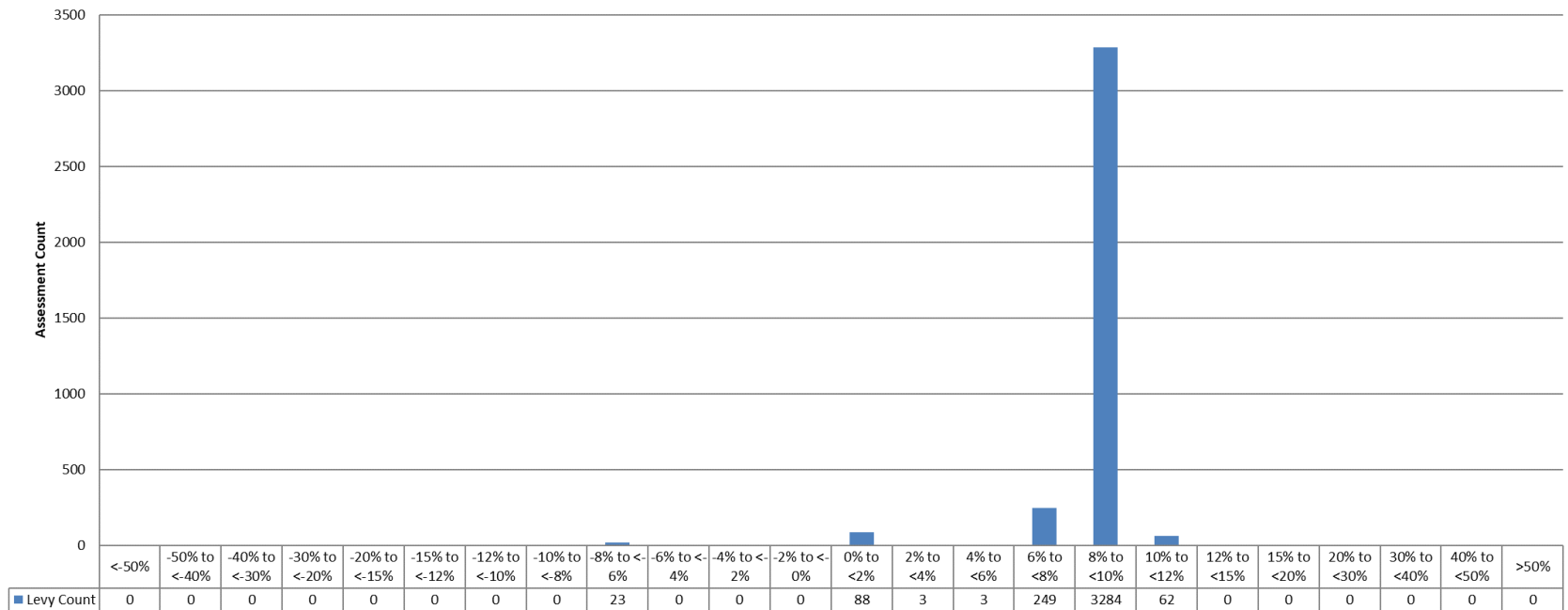
Budget Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Raumati – status quo rating system

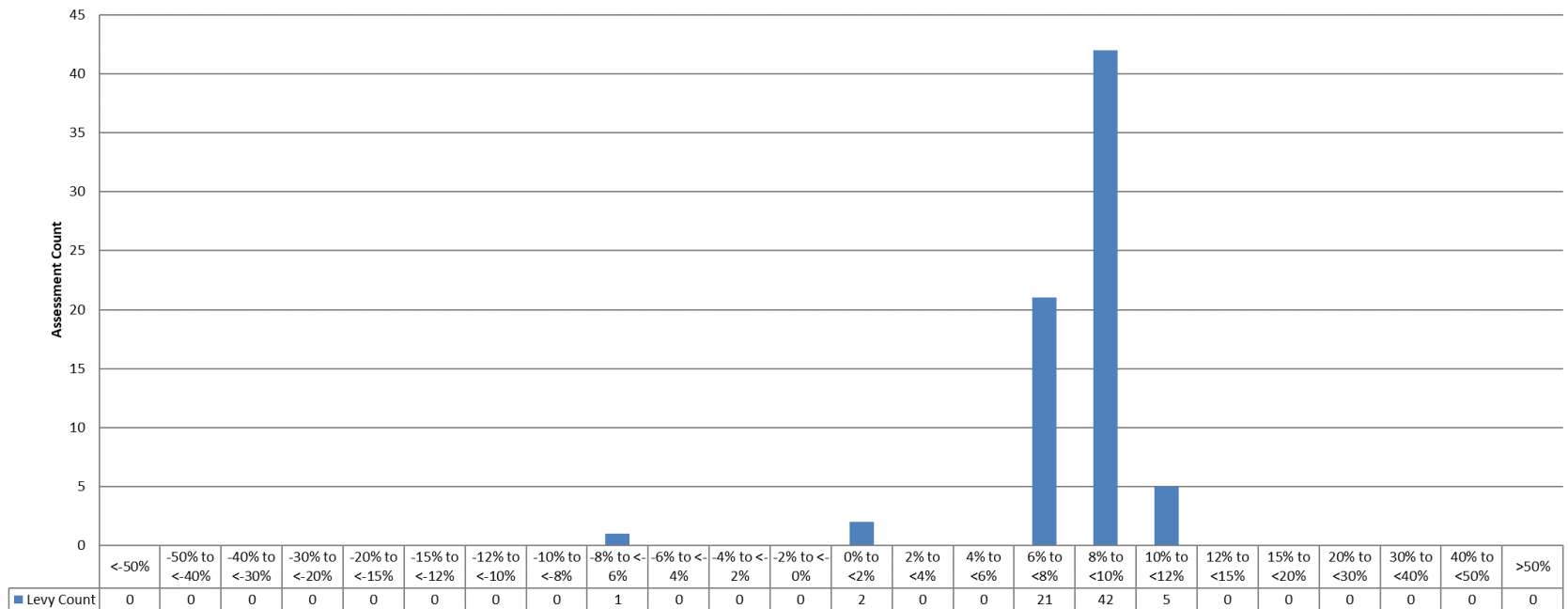
Budget Impact on Rates - Raumati All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Raumati – status quo rating system

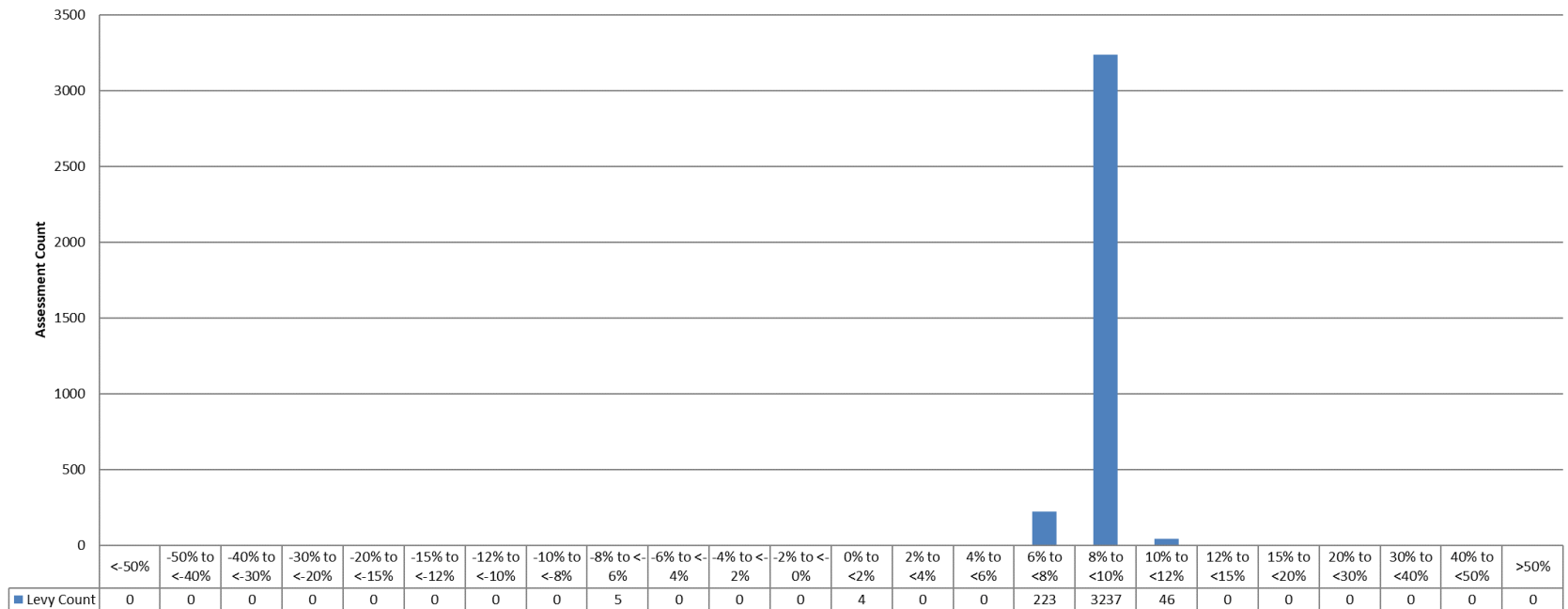
Budget Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Raumati – status quo rating system

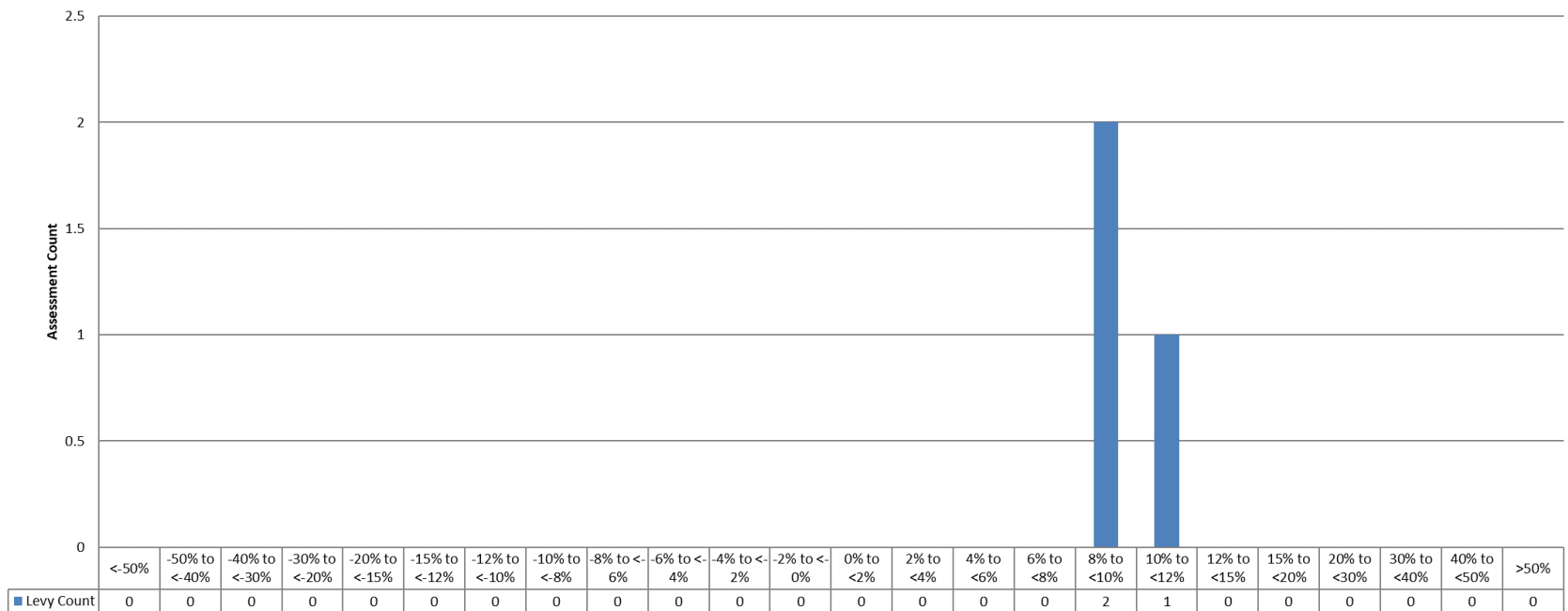
Budget Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Raumati – status quo rating system

Budget Impact on Rates - Lifestyle

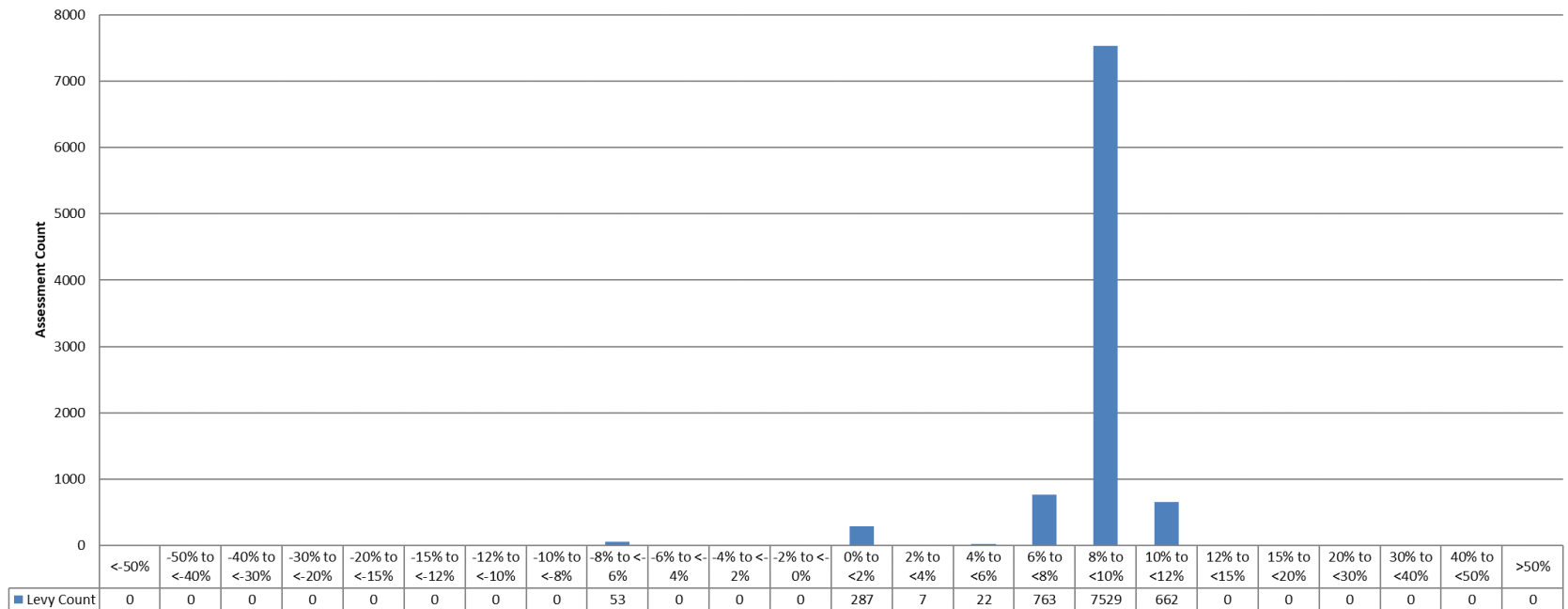


Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area

Paraparaumu – status quo rating system

Budget Impact on Rates - Paraparaumu All Properties

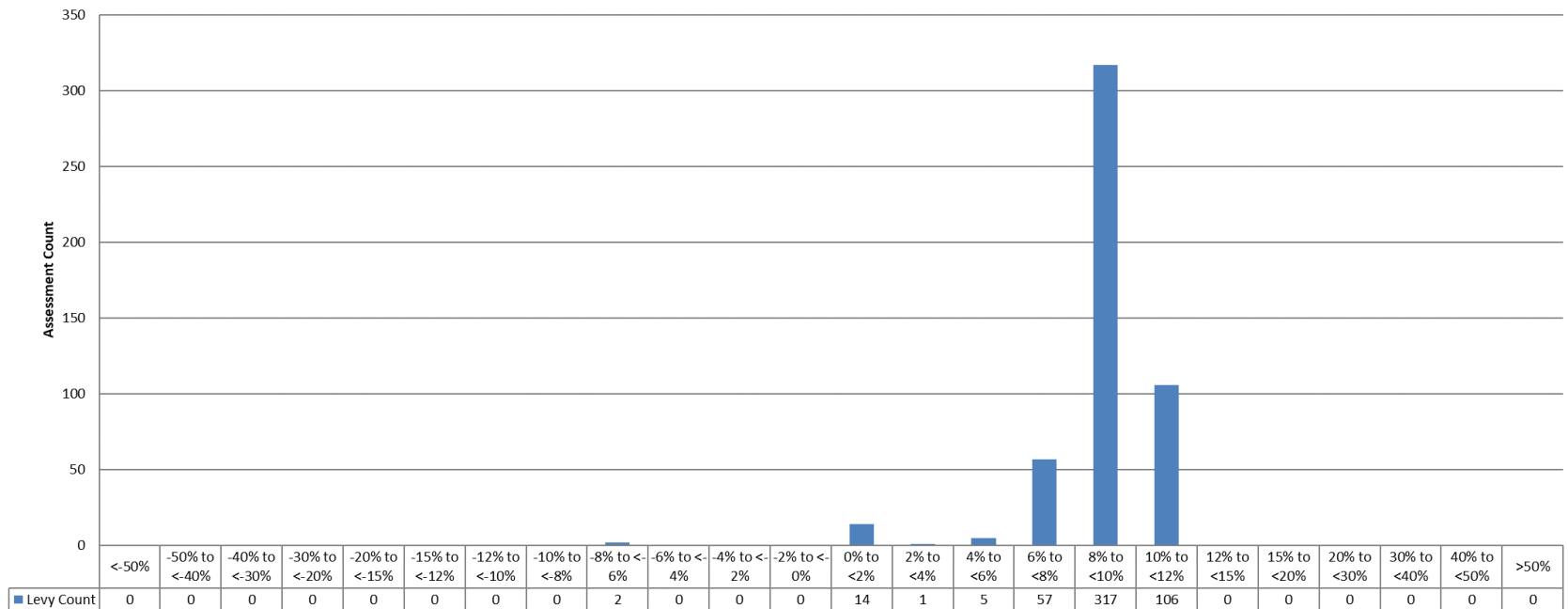


Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area

Paraparaumu – status quo rating system

Budget Impact on Rates - Commercial

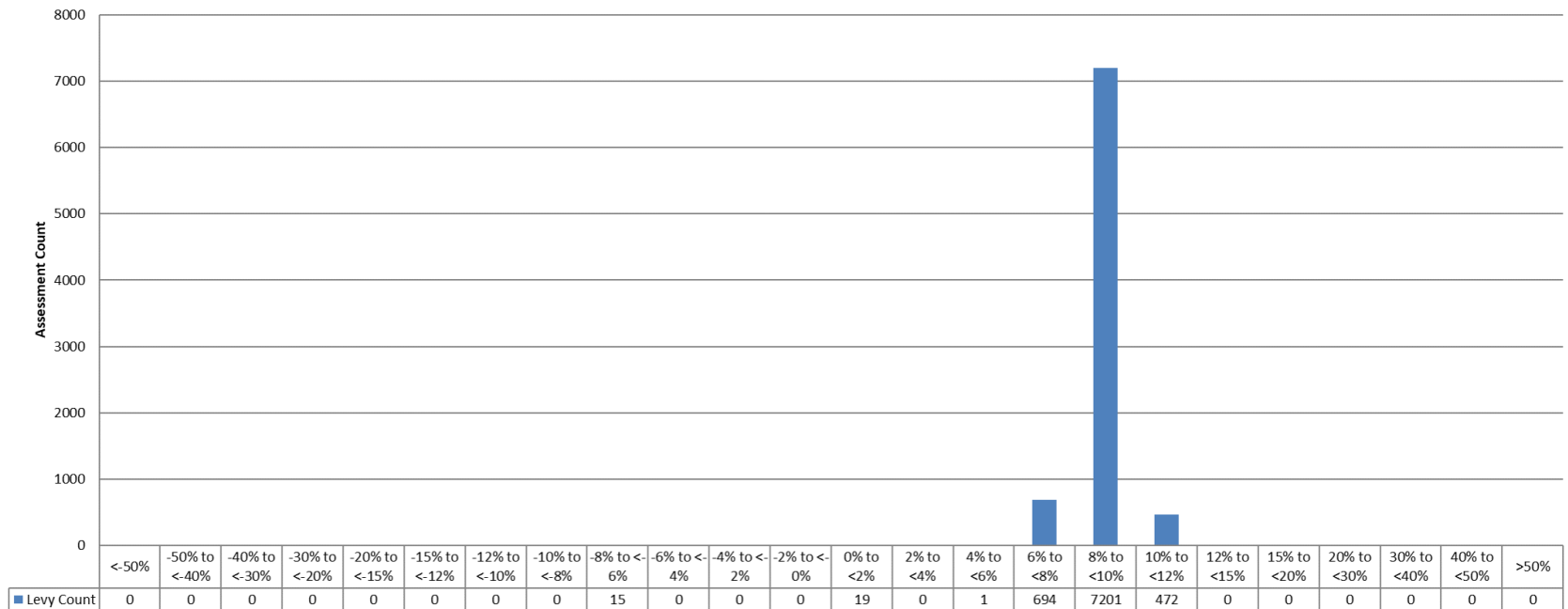


Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area

Paraparaumu – status quo rating system

Budget Impact on Rates - Residential

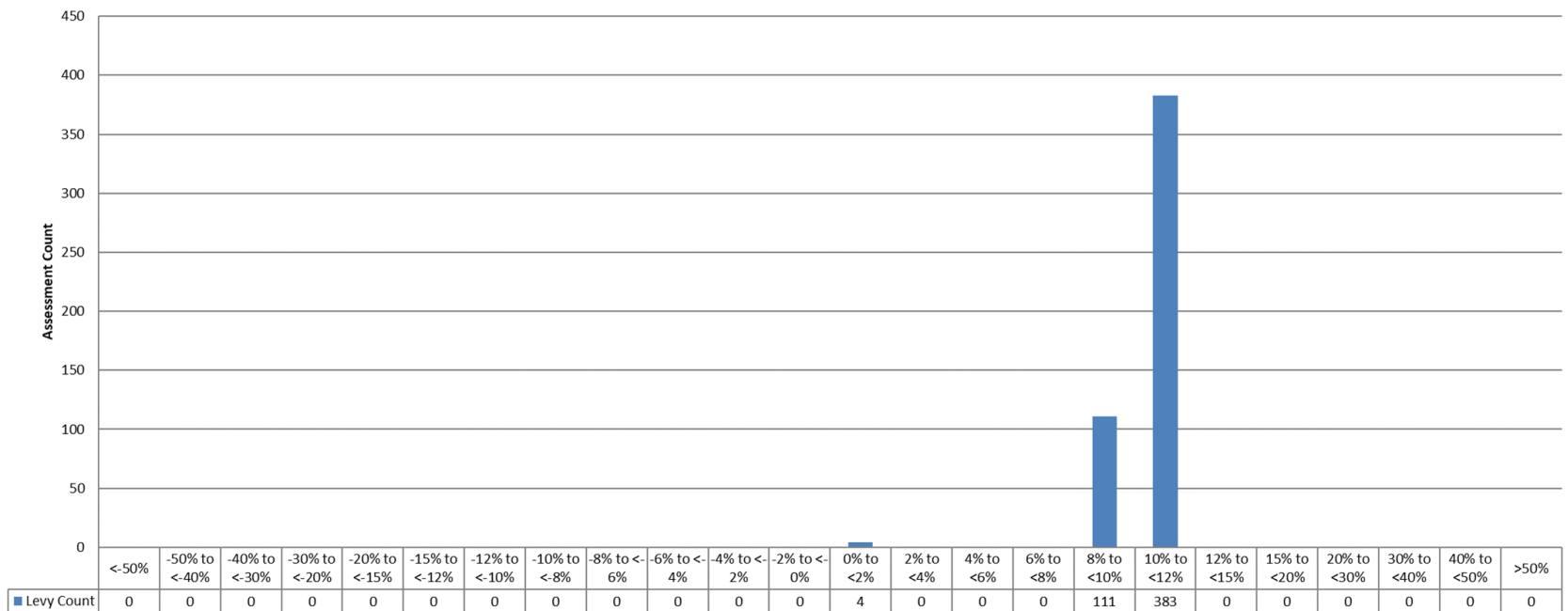


Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area

Paraparaumu – status quo rating system

Budget Impact on Rates - Lifestyle

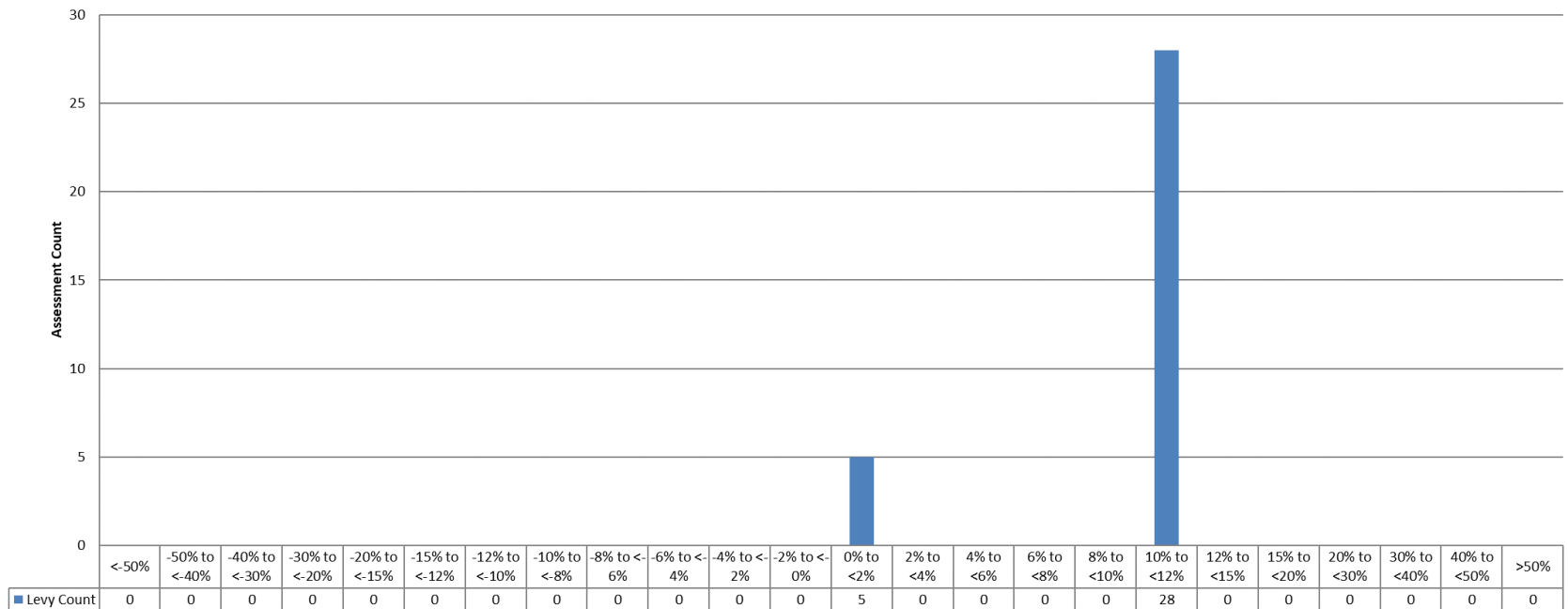


Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area

Paraparaumu – status quo rating system

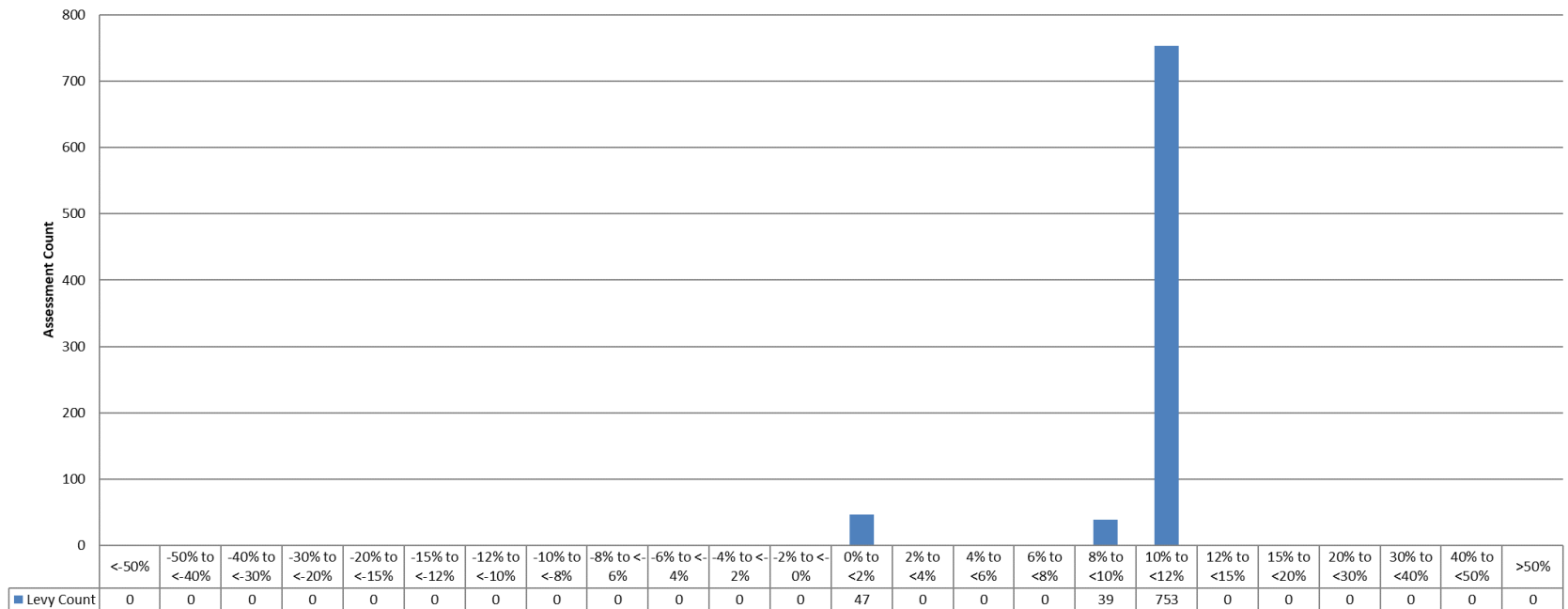
Budget Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Paekakariki – status quo rating system

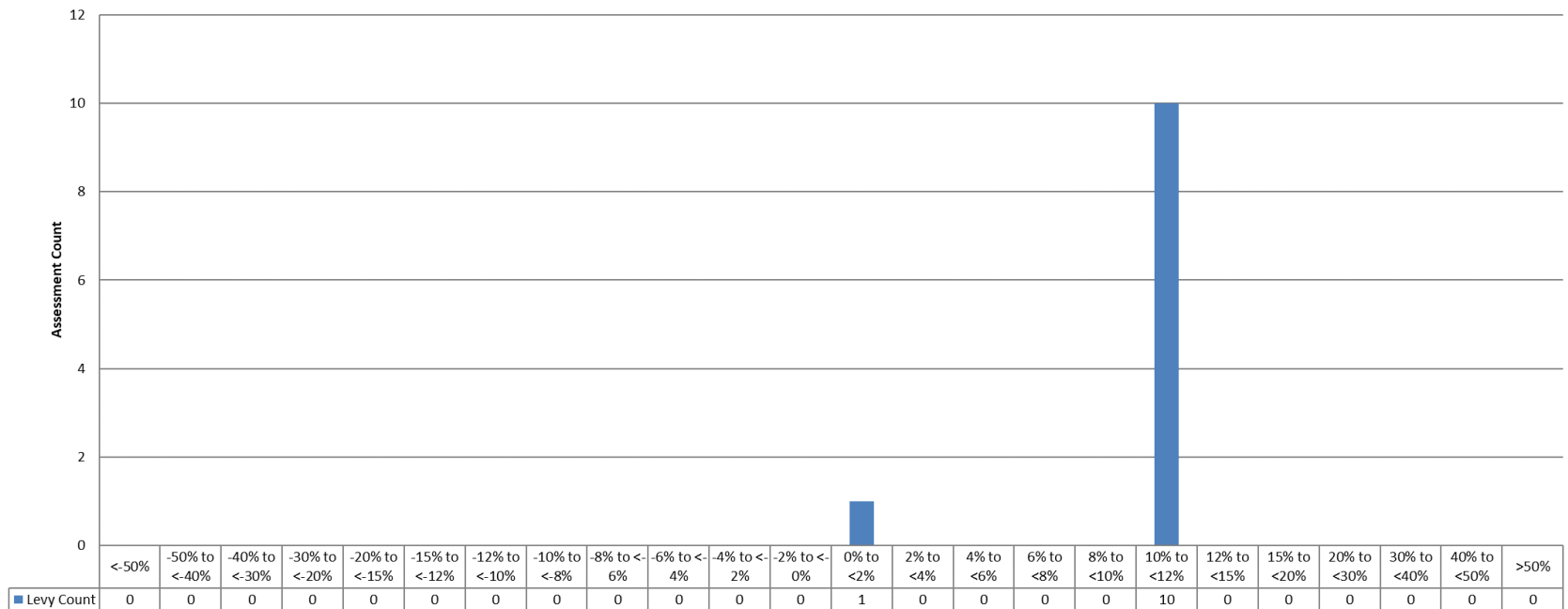
Budget Impact on Rates - Paekakariki All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Paekakariki – status quo rating system

Budget Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Paekakariki – status quo rating system

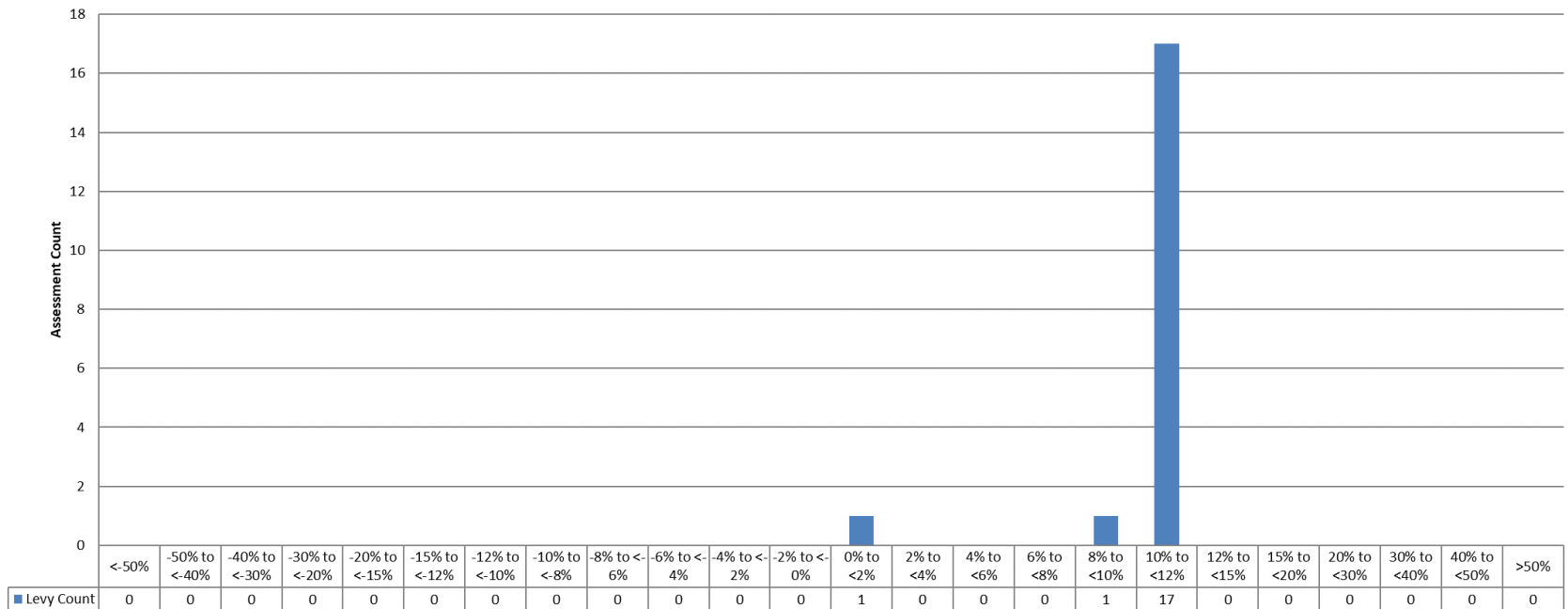
Budget Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Paekakariki – status quo rating system

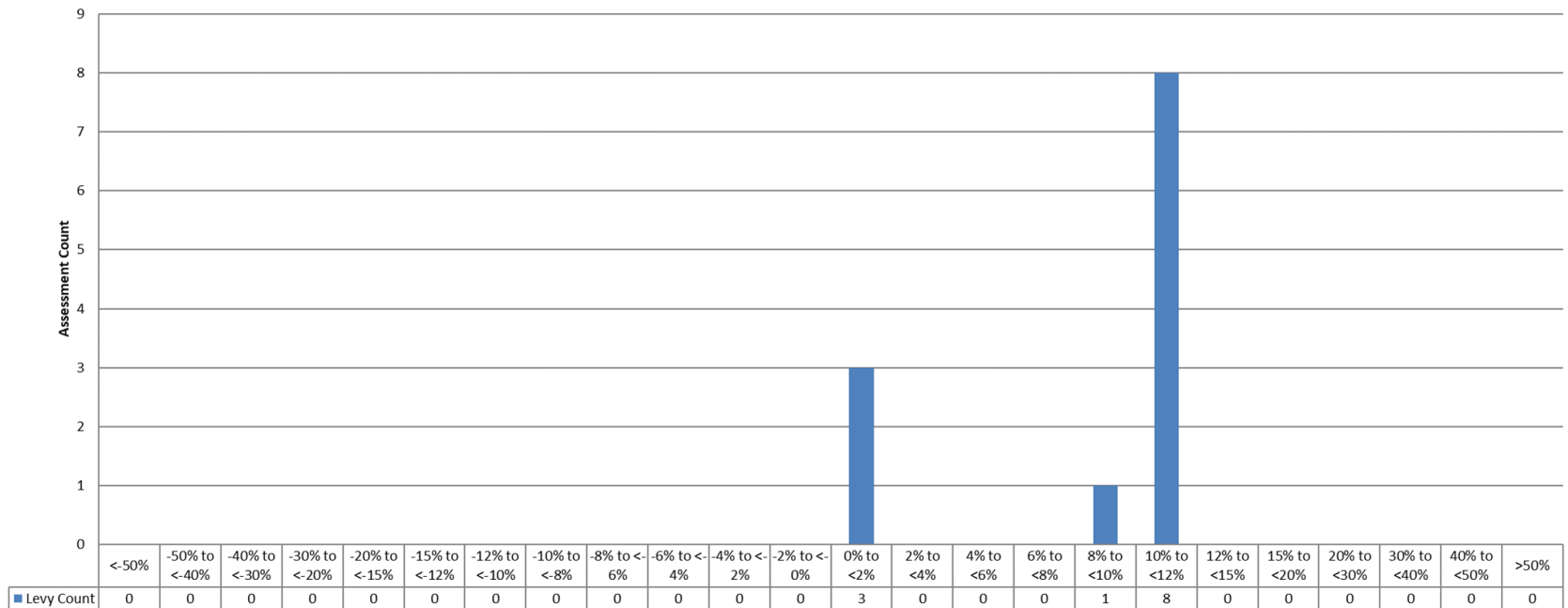
Budget Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Impacts by sector and area Paekakariki – status quo rating system

Budget Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 2: New Climate Action Targeted Rate

- Bring a greater focus on climate mitigation work with transparent funding
- Revenue required would shift from current Districtwide General based on land value to a new targeted rate based on capital value

Option 2: Impact of proposed 2024/25 rates increase

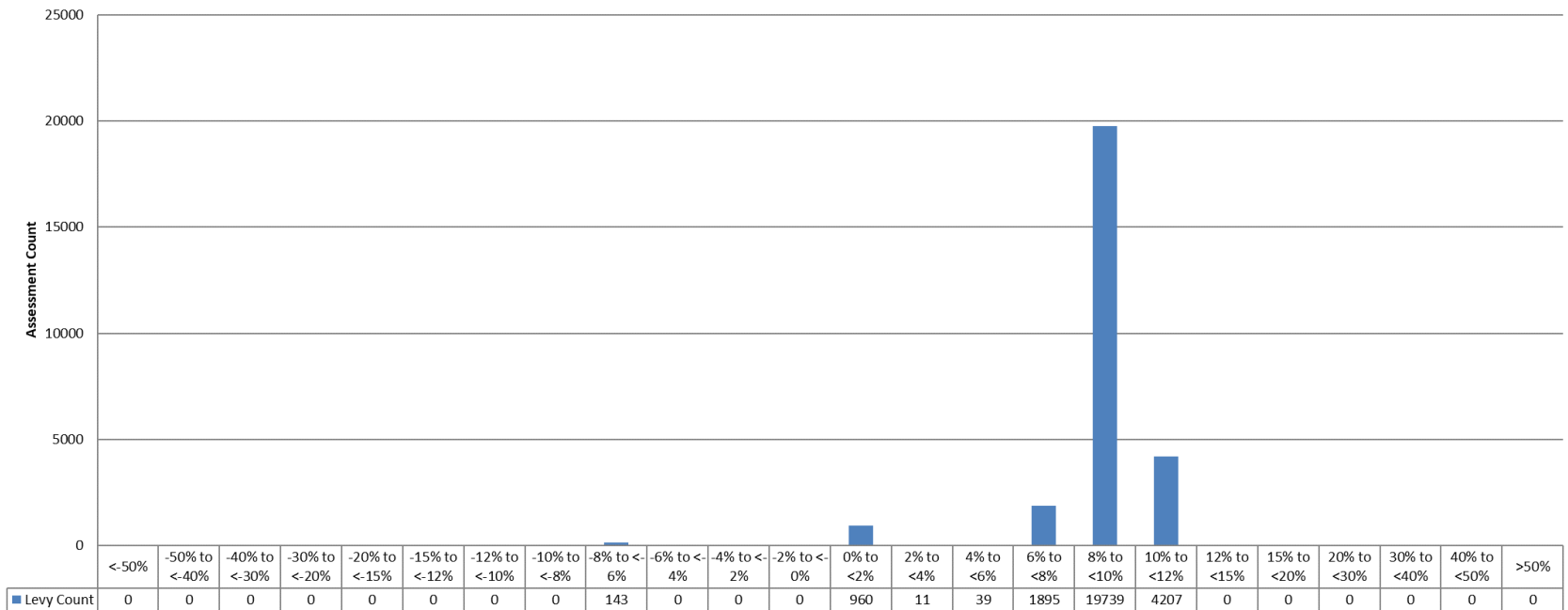
	2023/24 Rates	2024/25 Proposed Rates	New Climate Change Rate	Climate Change Rate Impact	
	New Valuations (\$M)	New Valuations (\$M)	Rates Share 2023/24 %	Rates Share 2024/25 %	
				Change \$M	
Commercial	12.28	13.39	10.69%	10.70%	1.11
Lifestyle	9.11	10.09	7.93%	8.06%	0.98
Other	0.97	1.01	0.84%	0.81%	0.05
Residential	91.31	99.29	79.44%	79.30%	7.98
Rural	1.27	1.41	1.11%	1.13%	0.14

Rates Include GWRC Rates (based on no change to 23/24) Incl GST
Excluding Water

This compares the 2023/24 rates requirement based on new valuations to proposed 2024/25 rates requirements (12% increase, 0.80% growth) using the option 1 rating system. Residential ratepayers will contribute just under \$8 million of the proposed increase.

Option 2 - Climate Action Targeted Rate

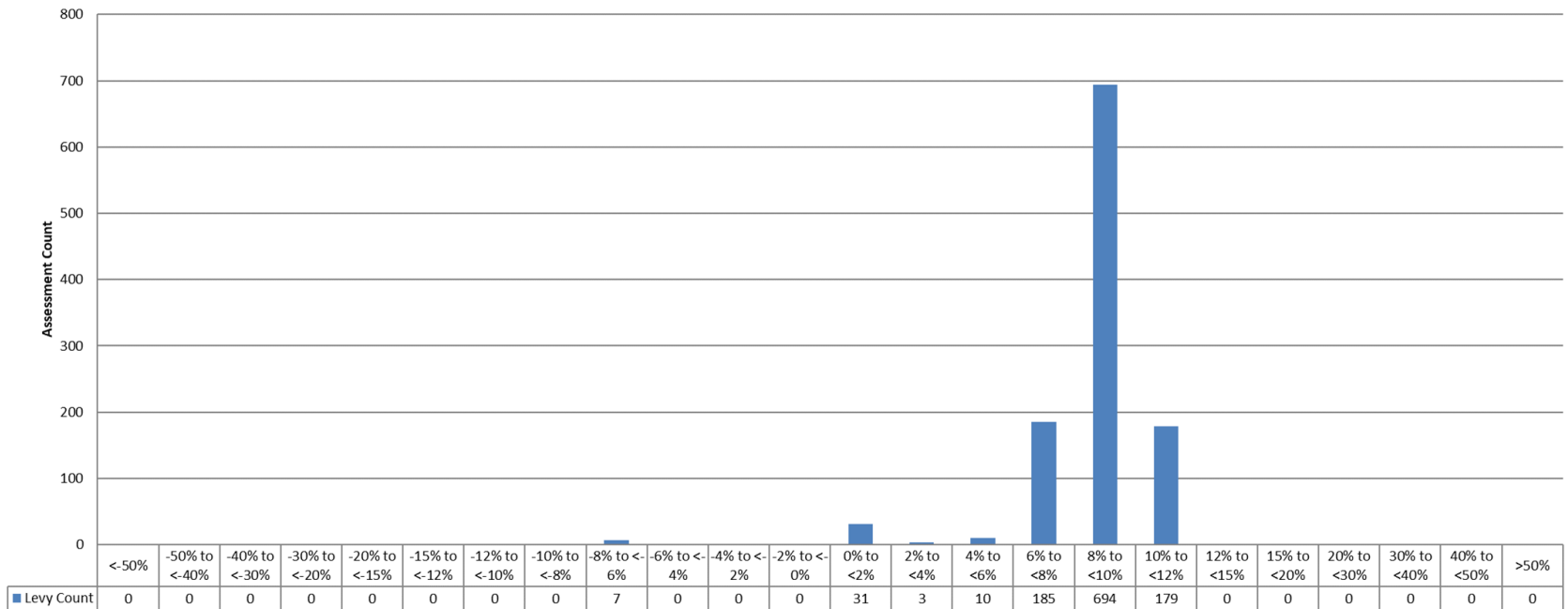
Valuation Impact on Rates - All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate

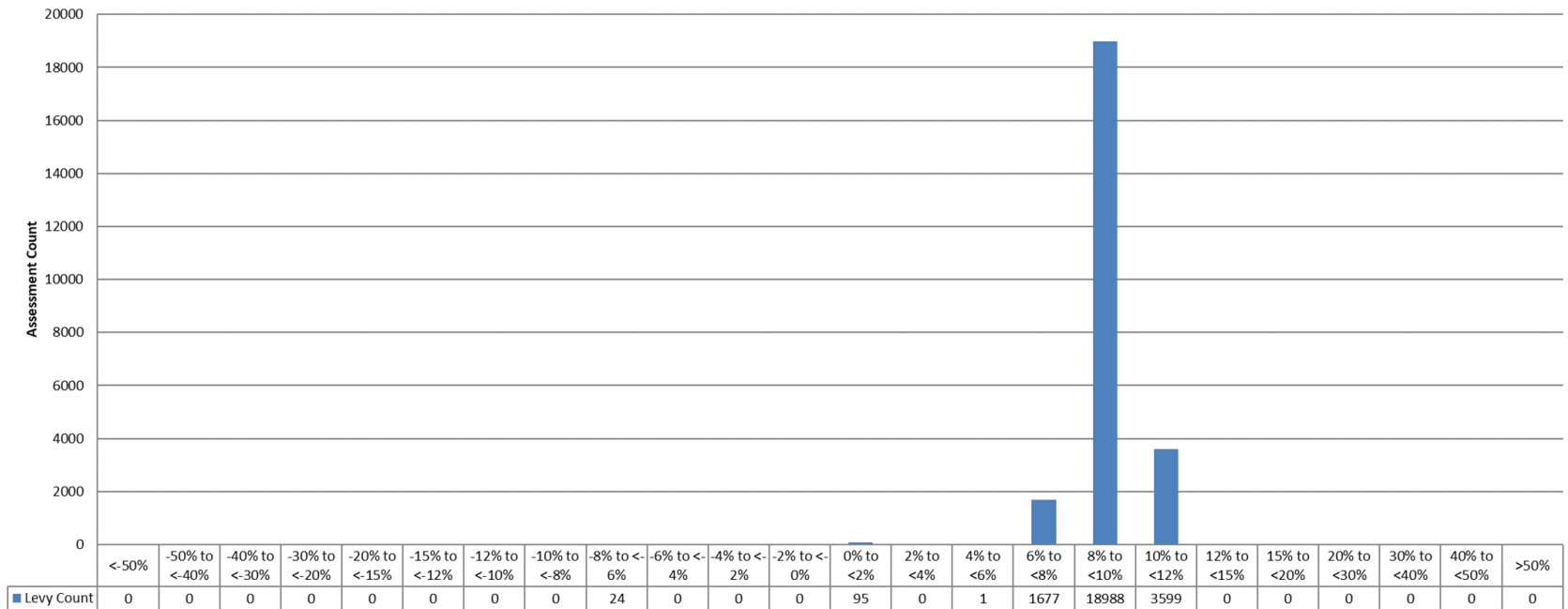
Climate Change Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate

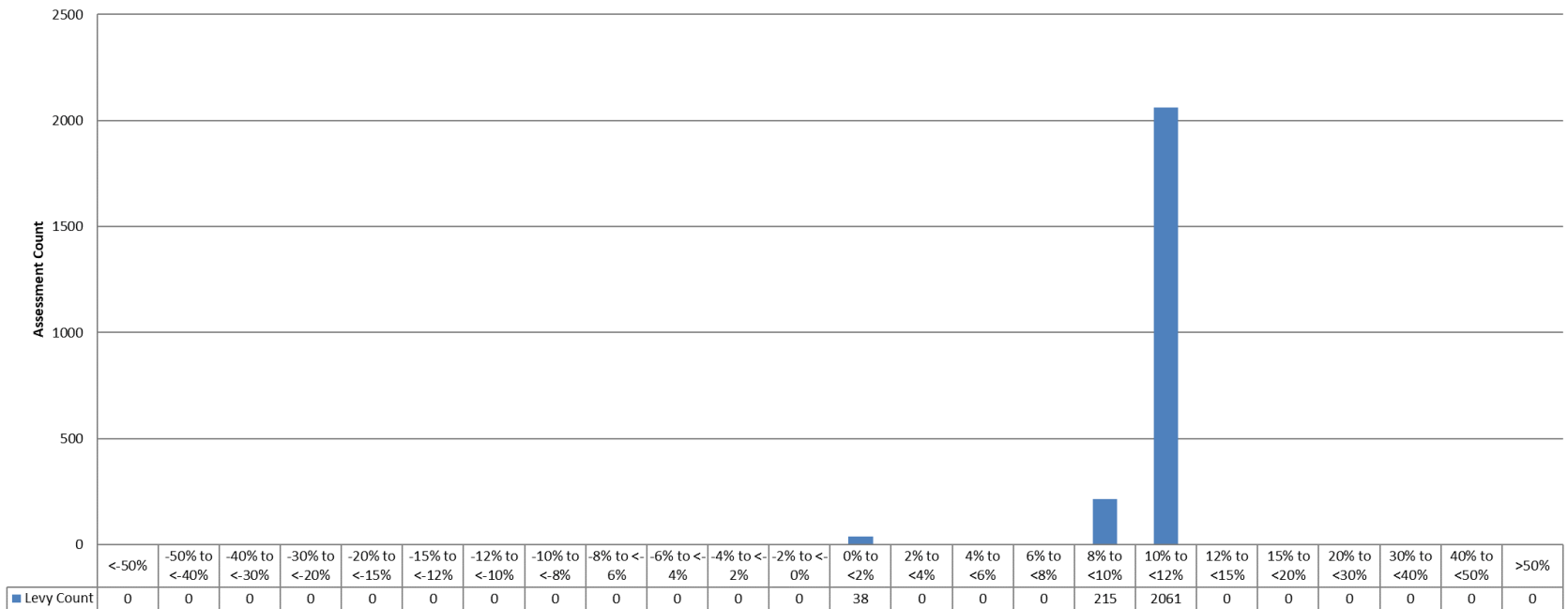
Climate Change Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate

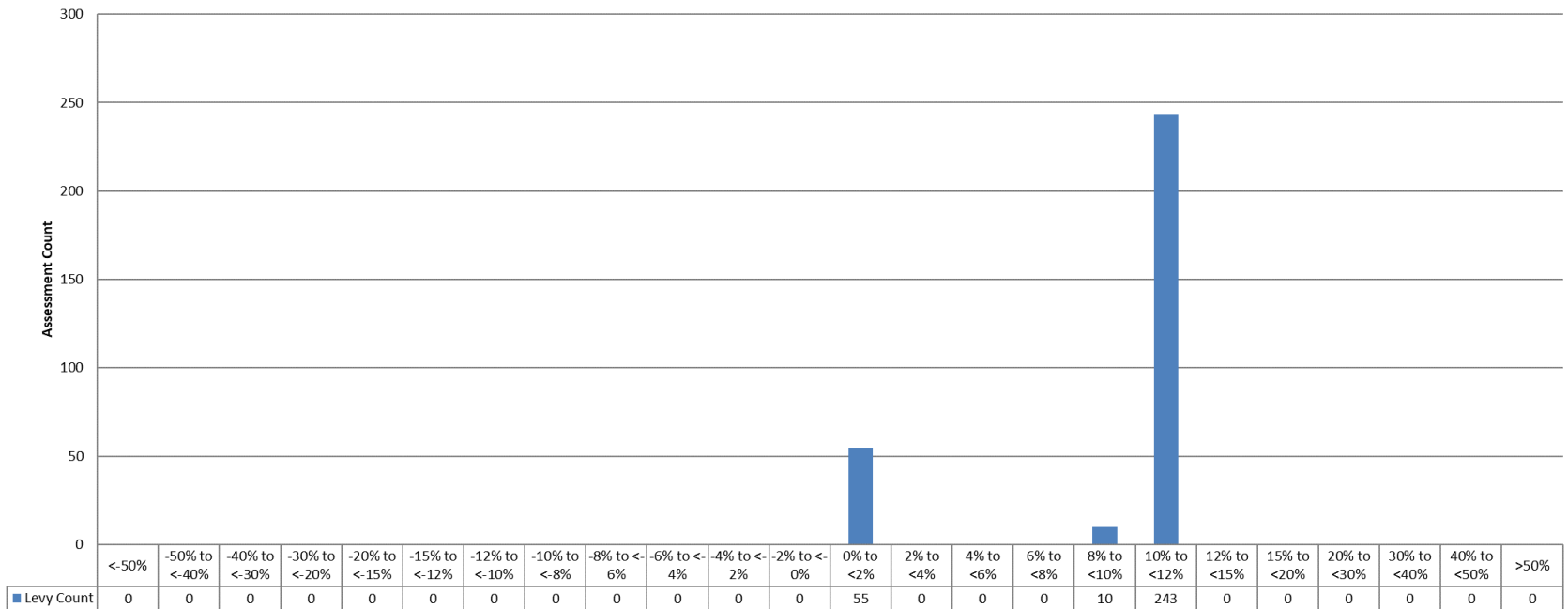
Climate Change Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate

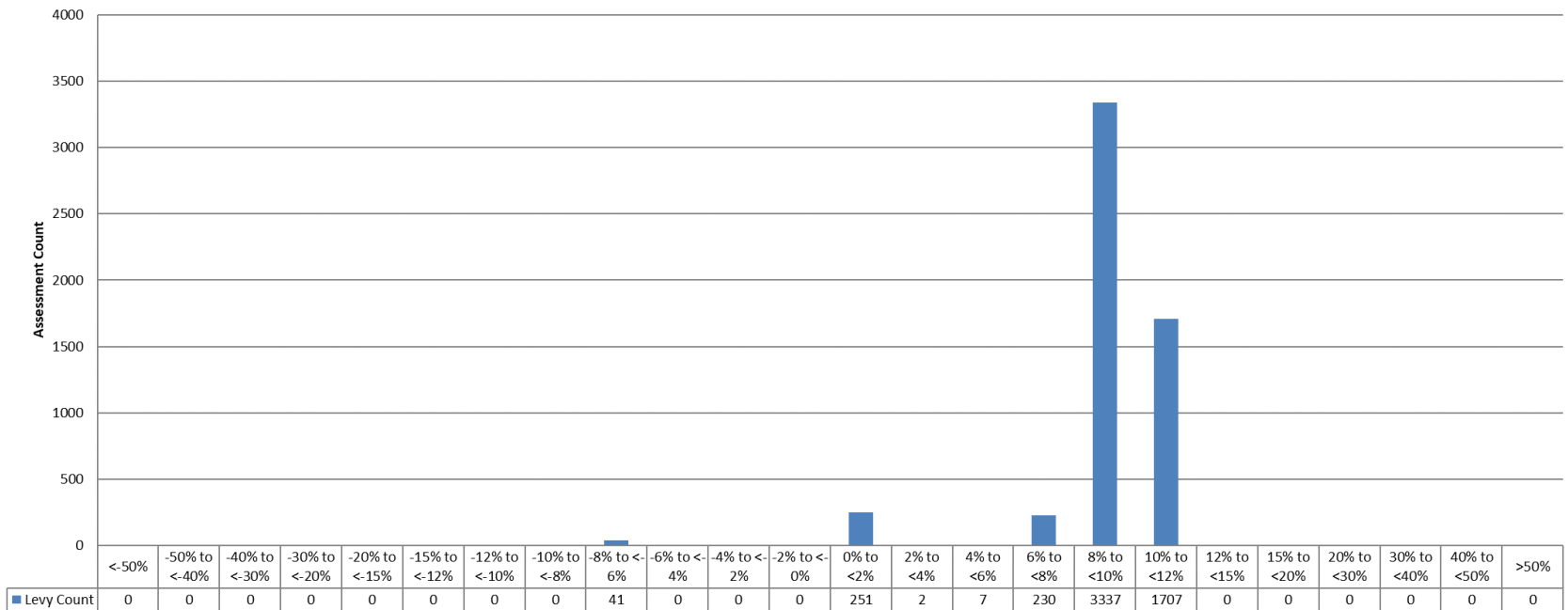
Climate Change Rate Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate

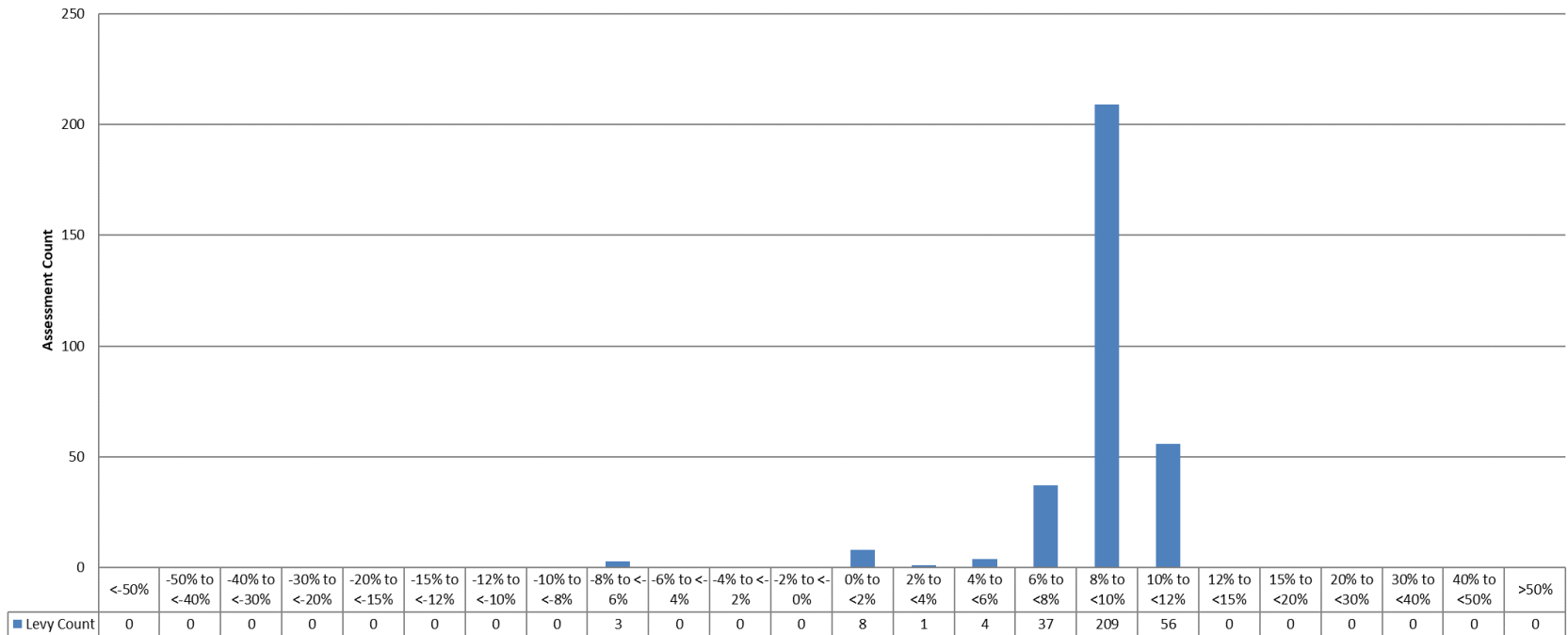
Climate Action Rate Impact on Rates - Otaki All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Otaki

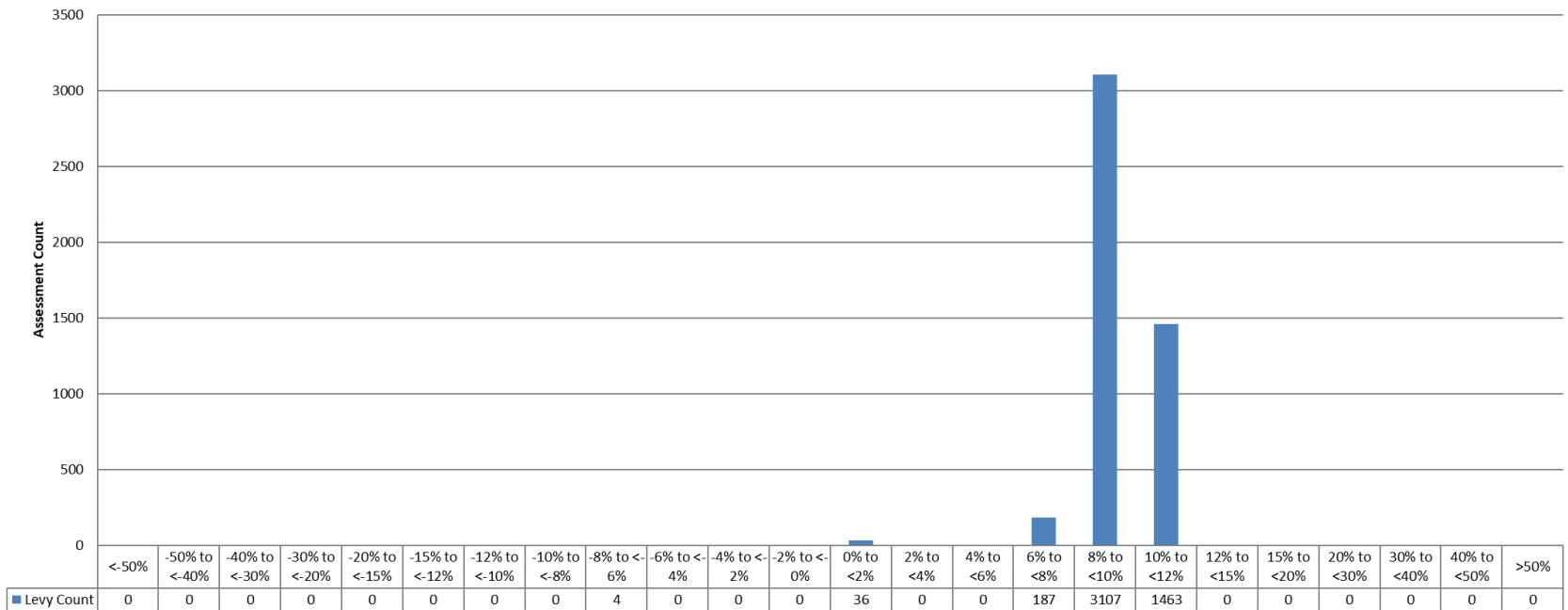
Climate Change Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate - Otaki

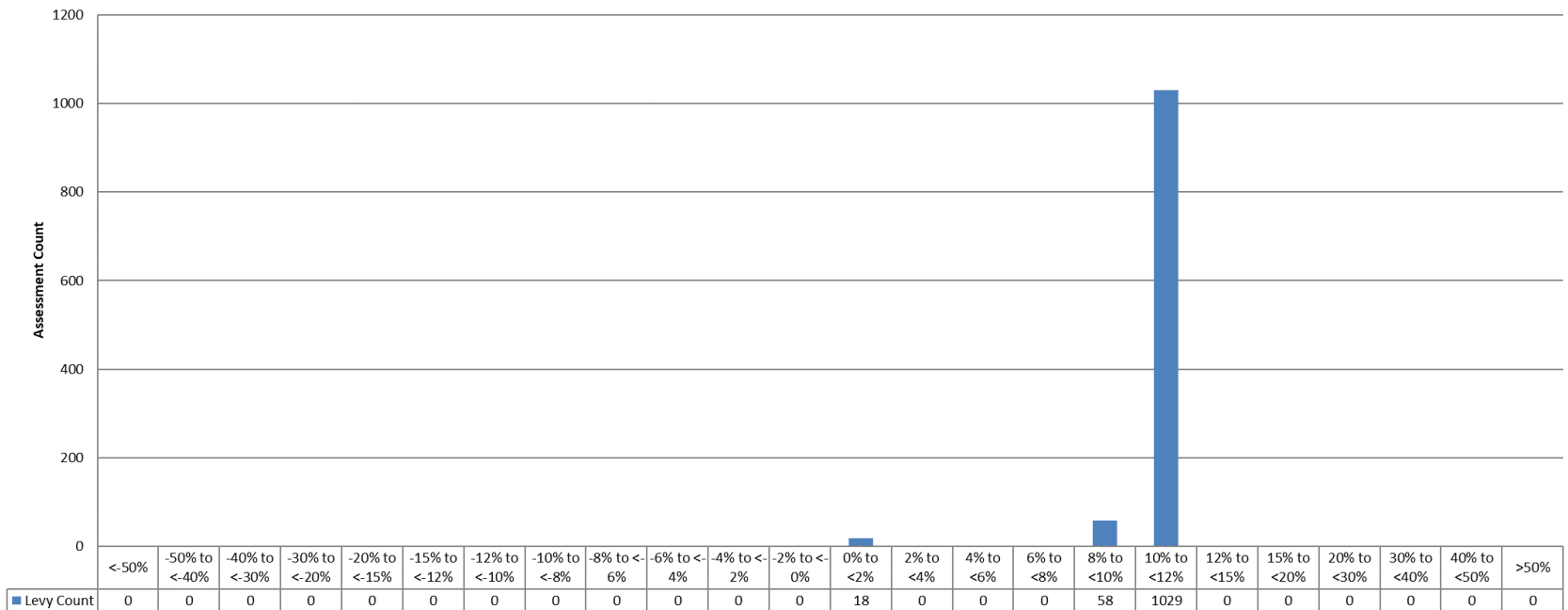
Climate Change Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate – Otaki

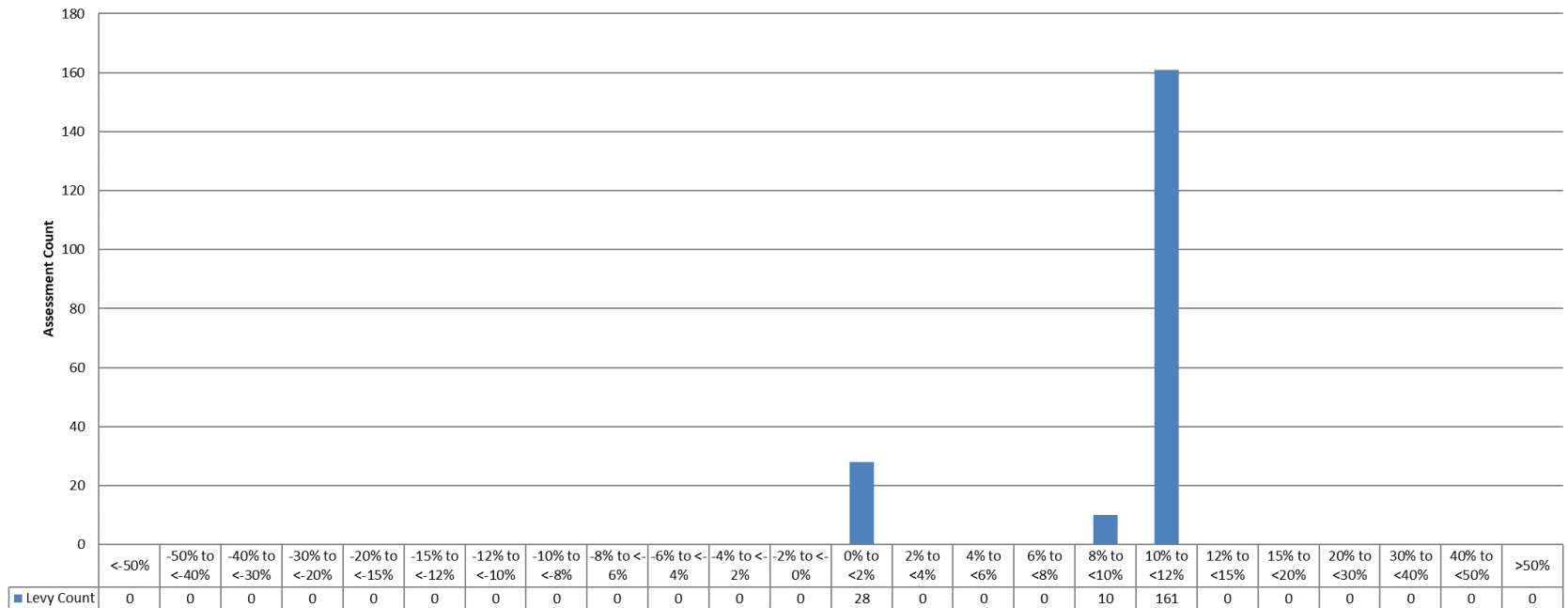
Climate Change Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate - Otaki

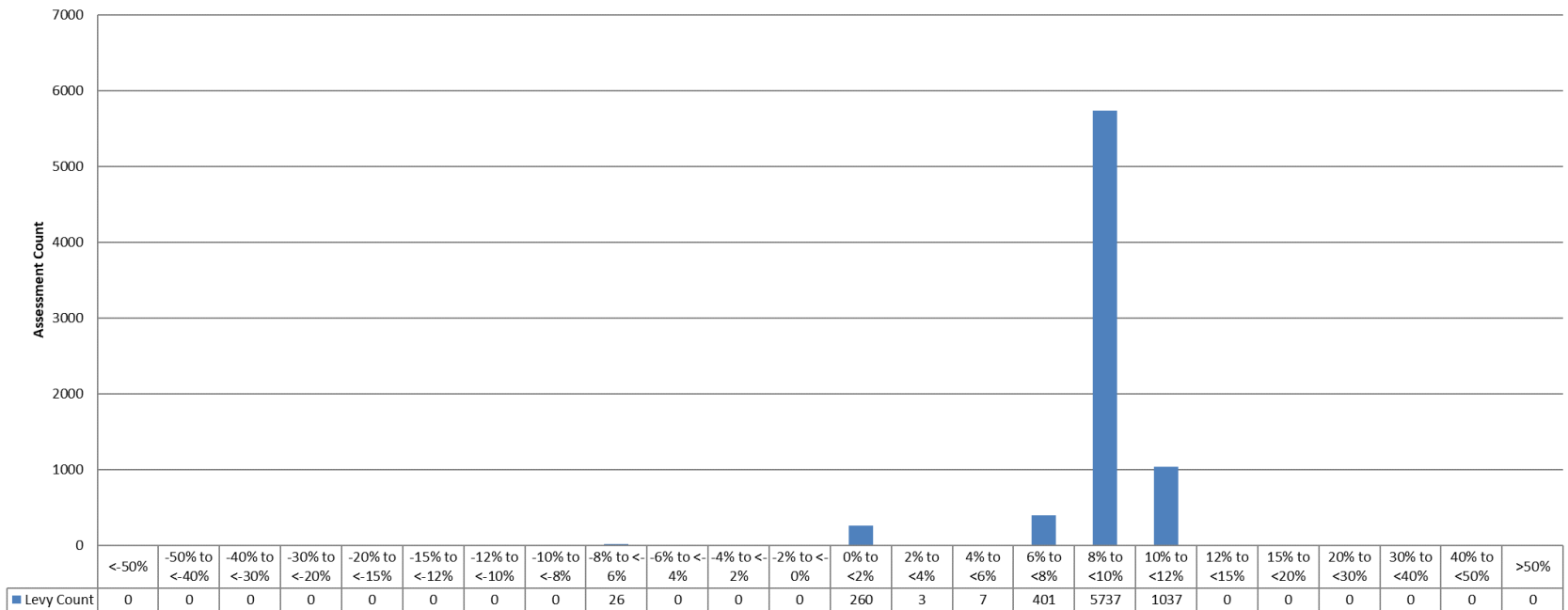
Climate Change Rate Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Waikanae

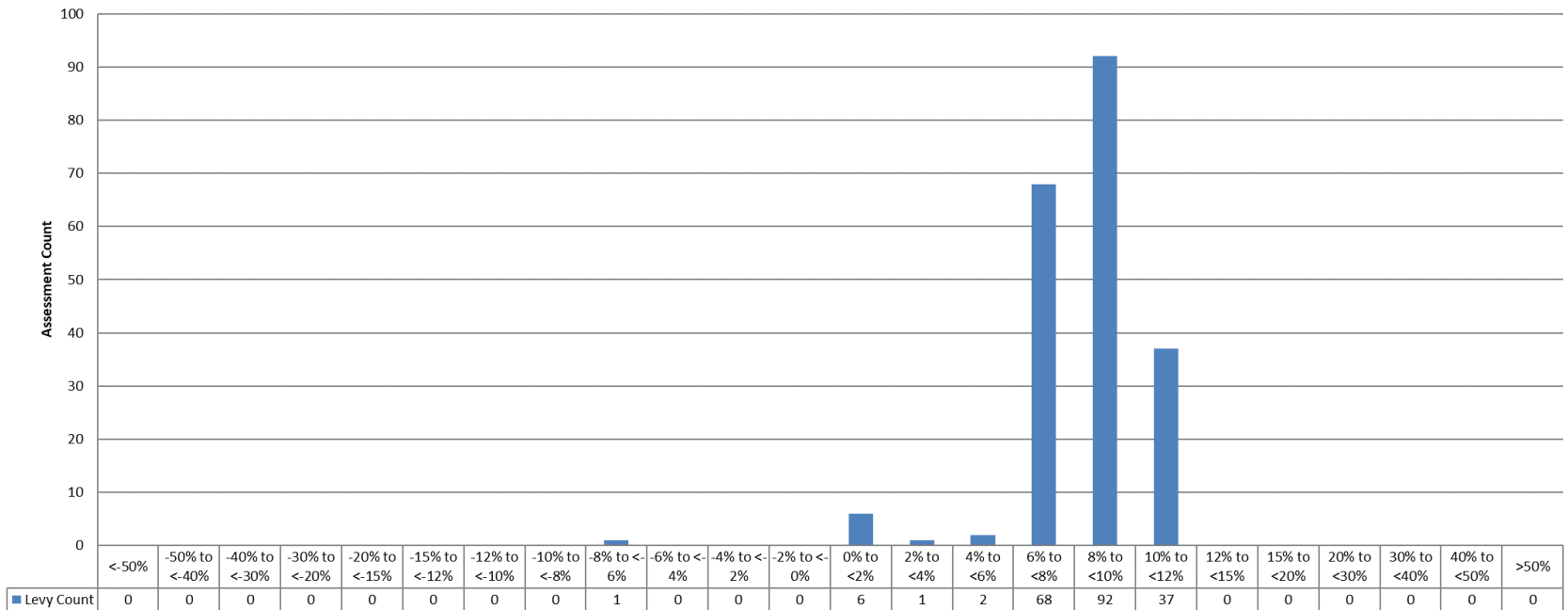
Climate Action Rate Impact on Rates - Waikanae All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Waikanae

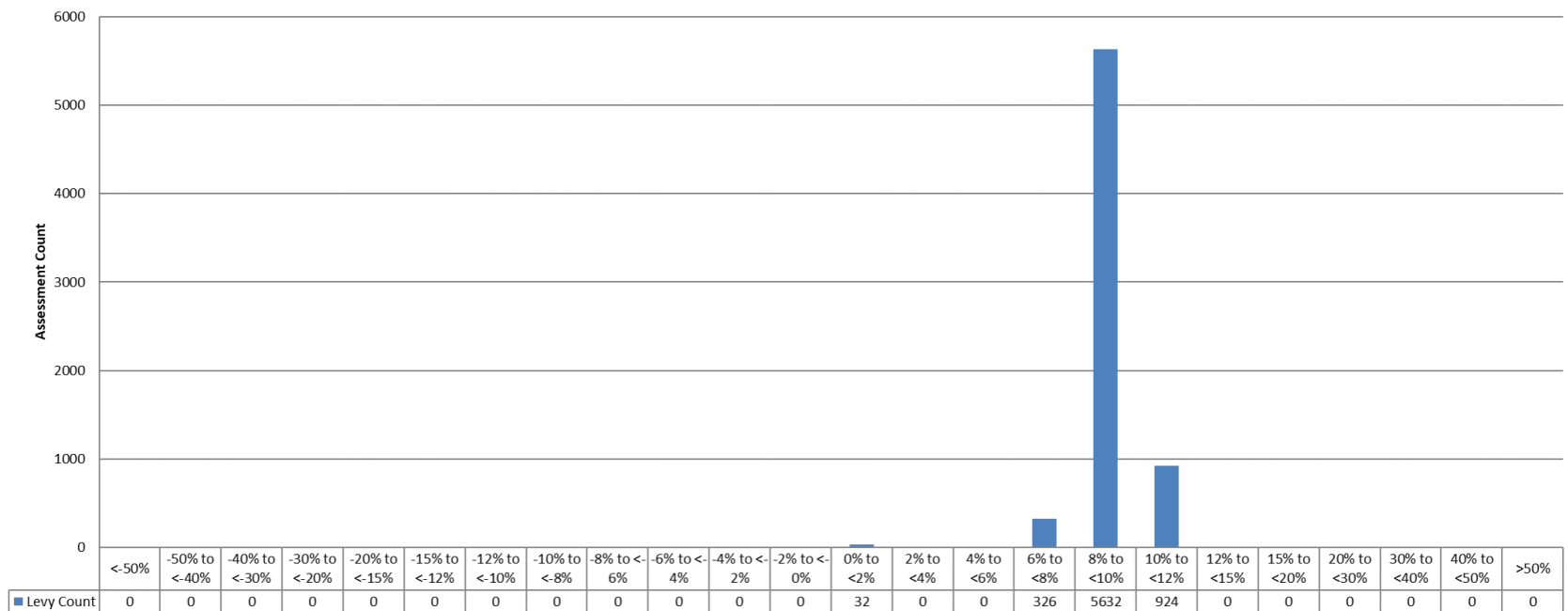
Climate Change Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Waikanae

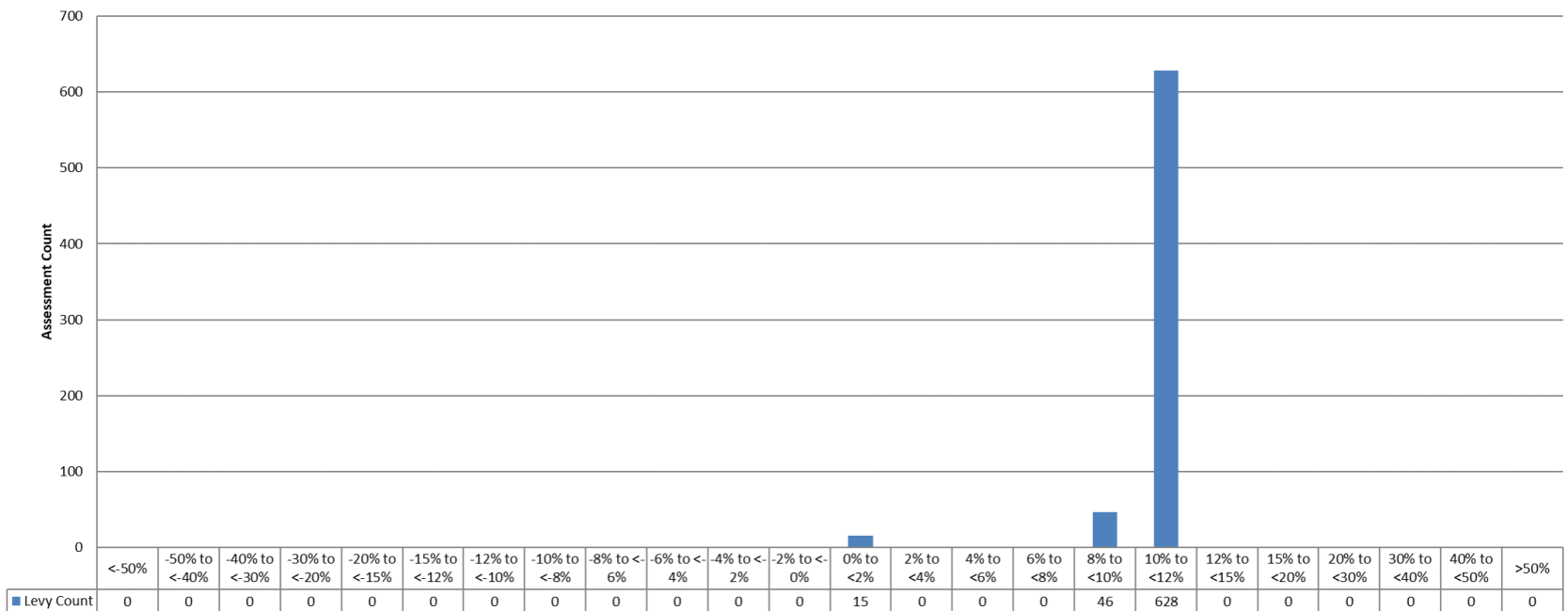
Climate Change Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Waikanae

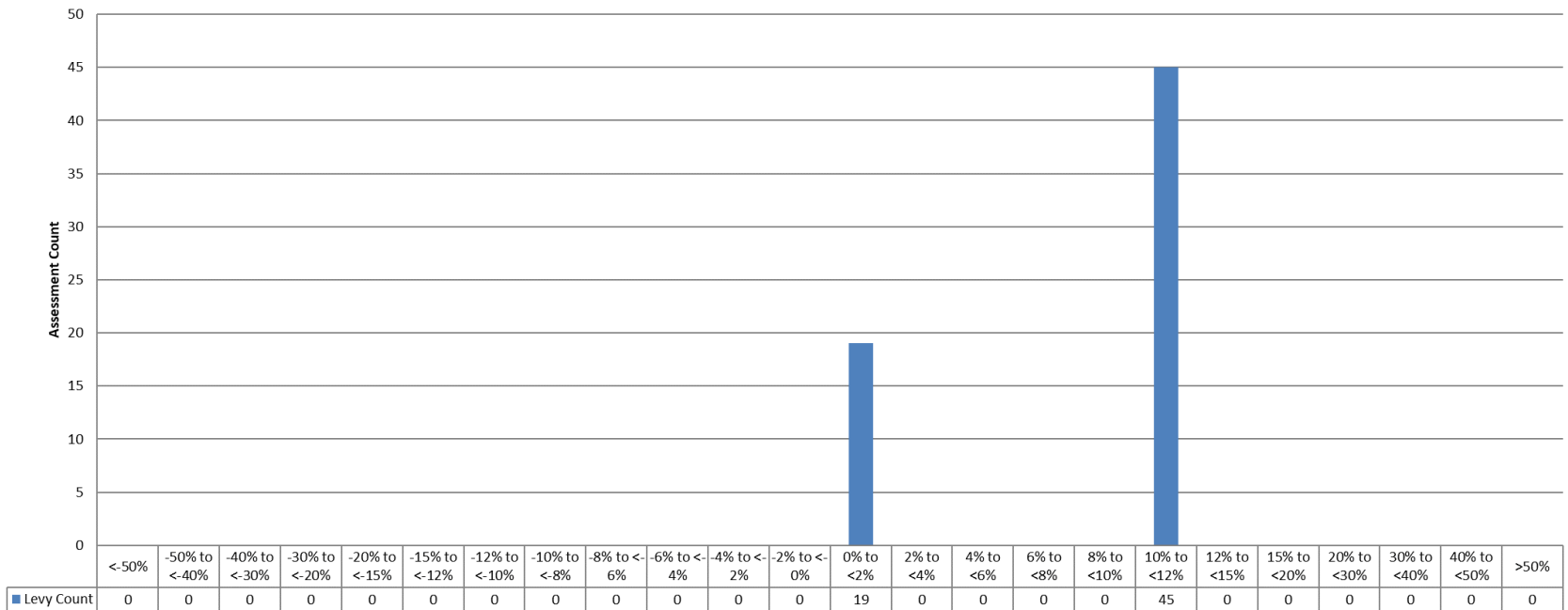
Climate Change Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Waikanae

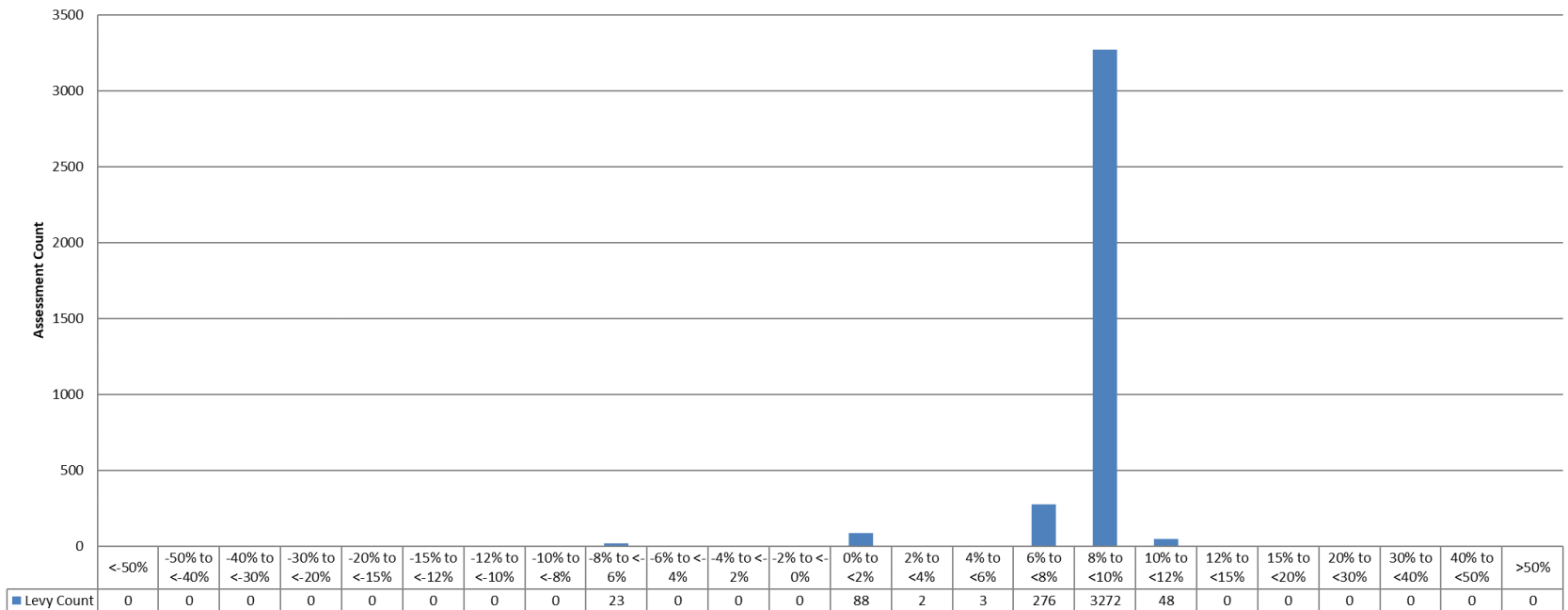
Climate Change Rate Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Raumati

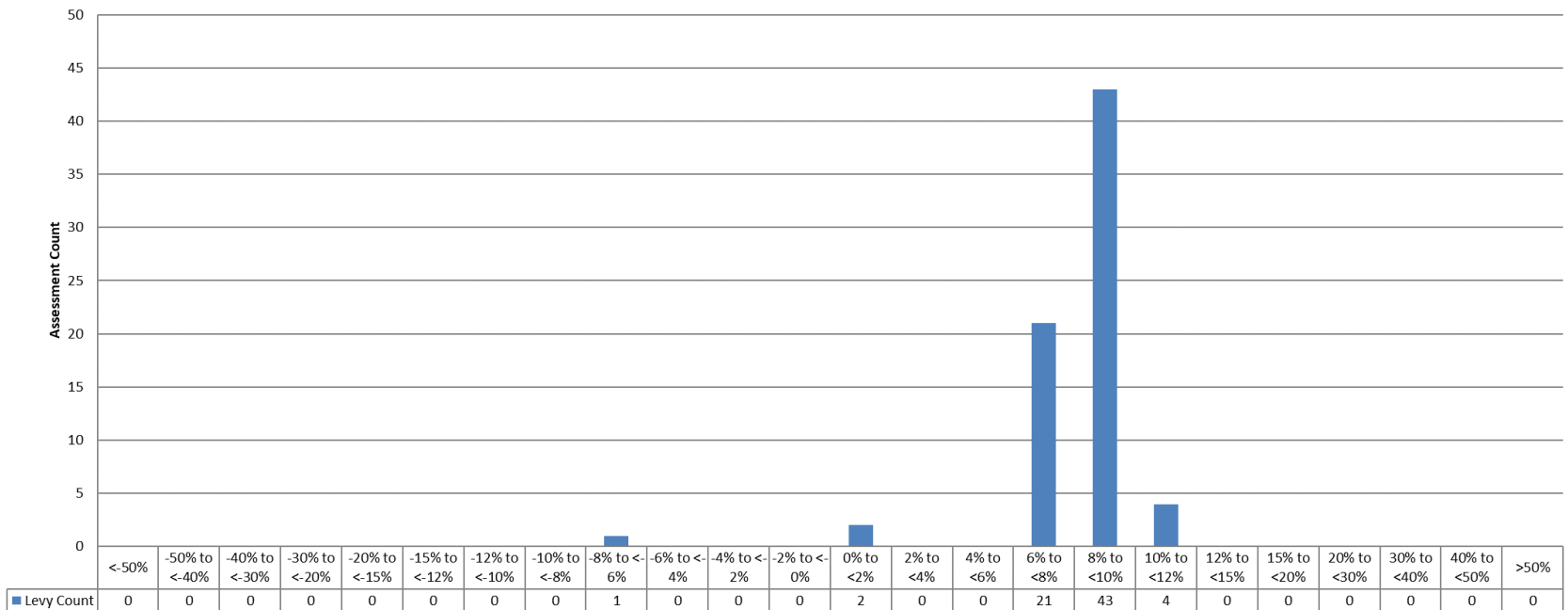
Climate Action Rate Impact on Rates - Raumati All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Raumati

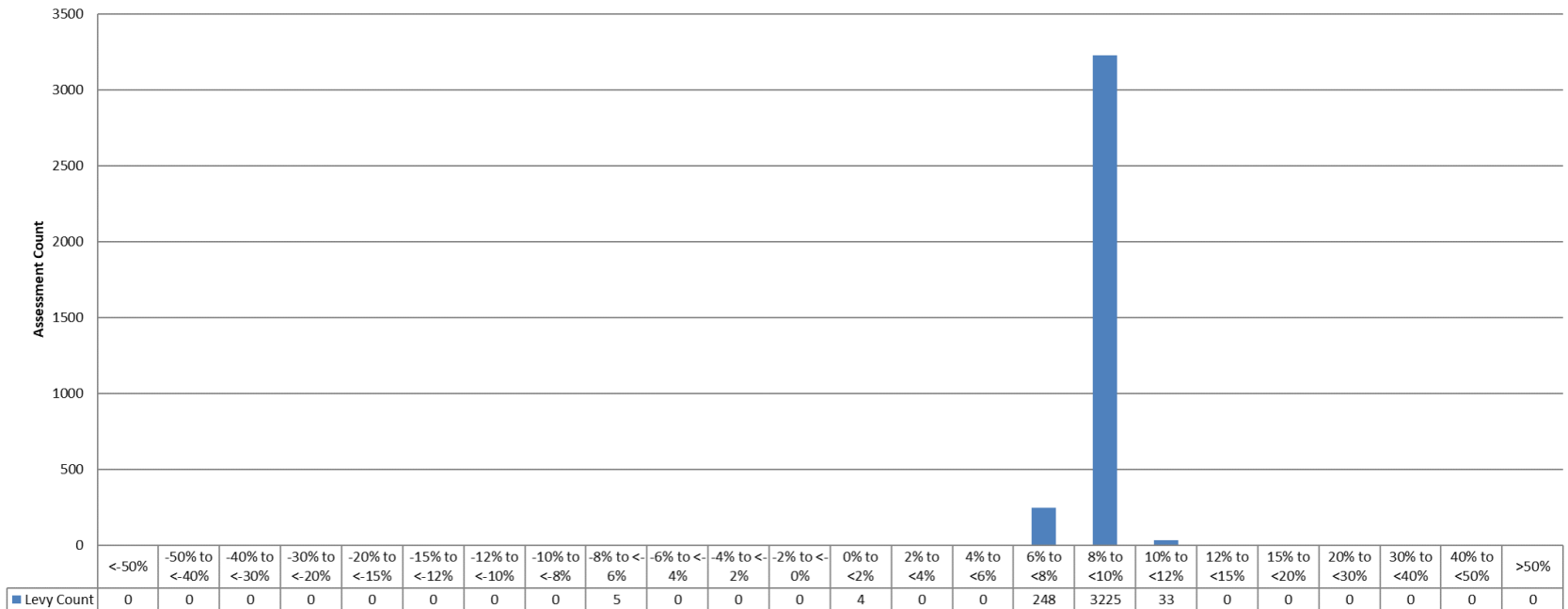
Climate Change Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Raumati

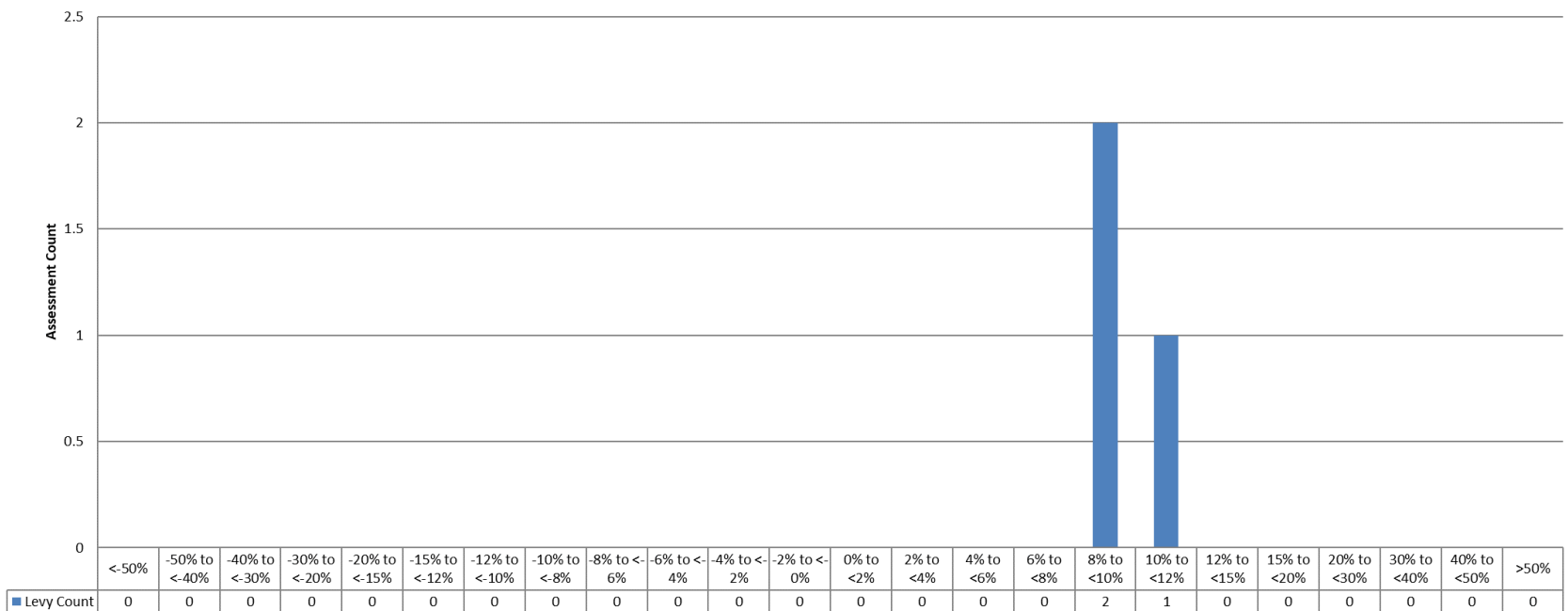
Climate Change Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Raumati

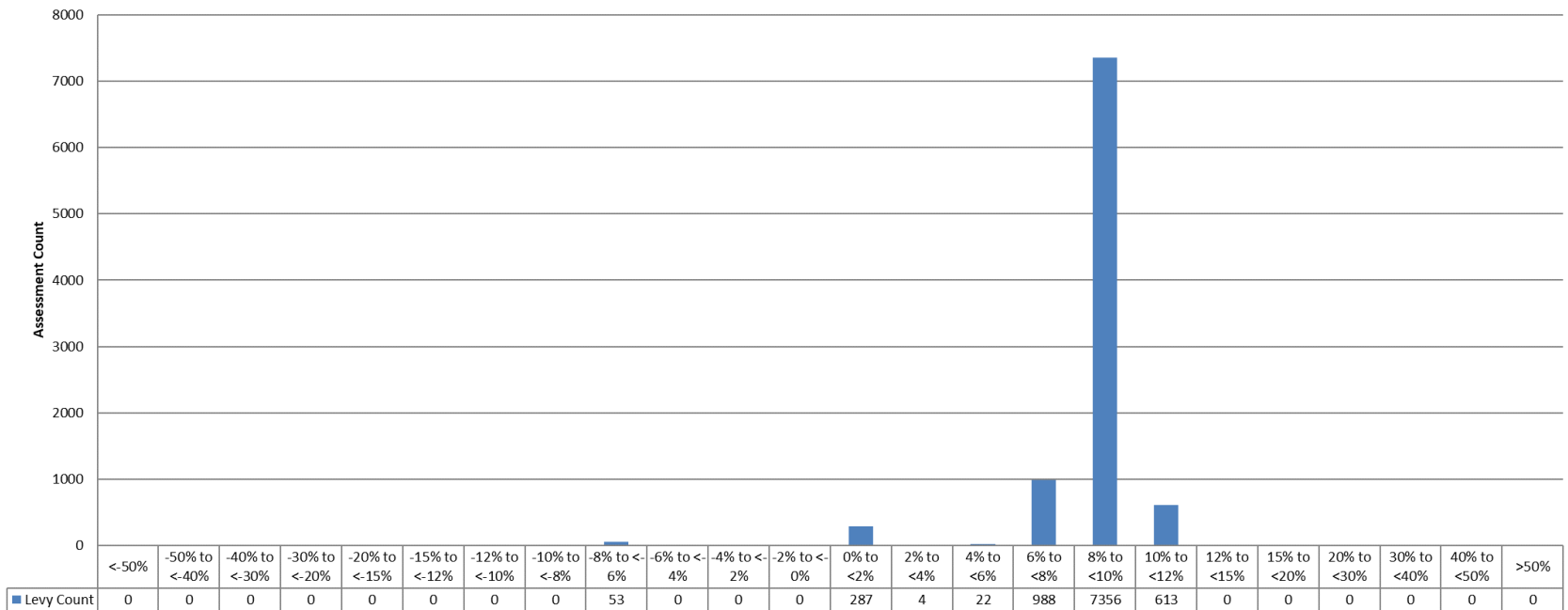
Climate Change Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Paraparaumu

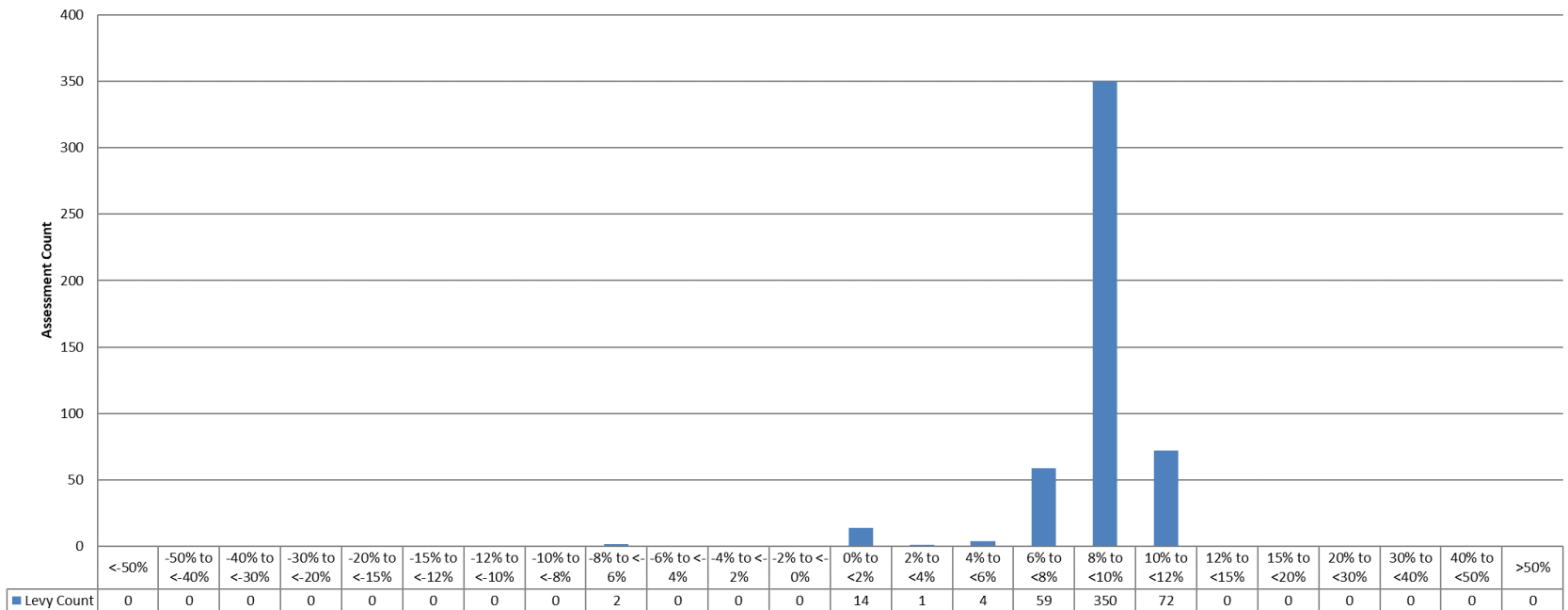
Climate Action Rate Impact on Rates - Paraparaumu All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Paraparaumu

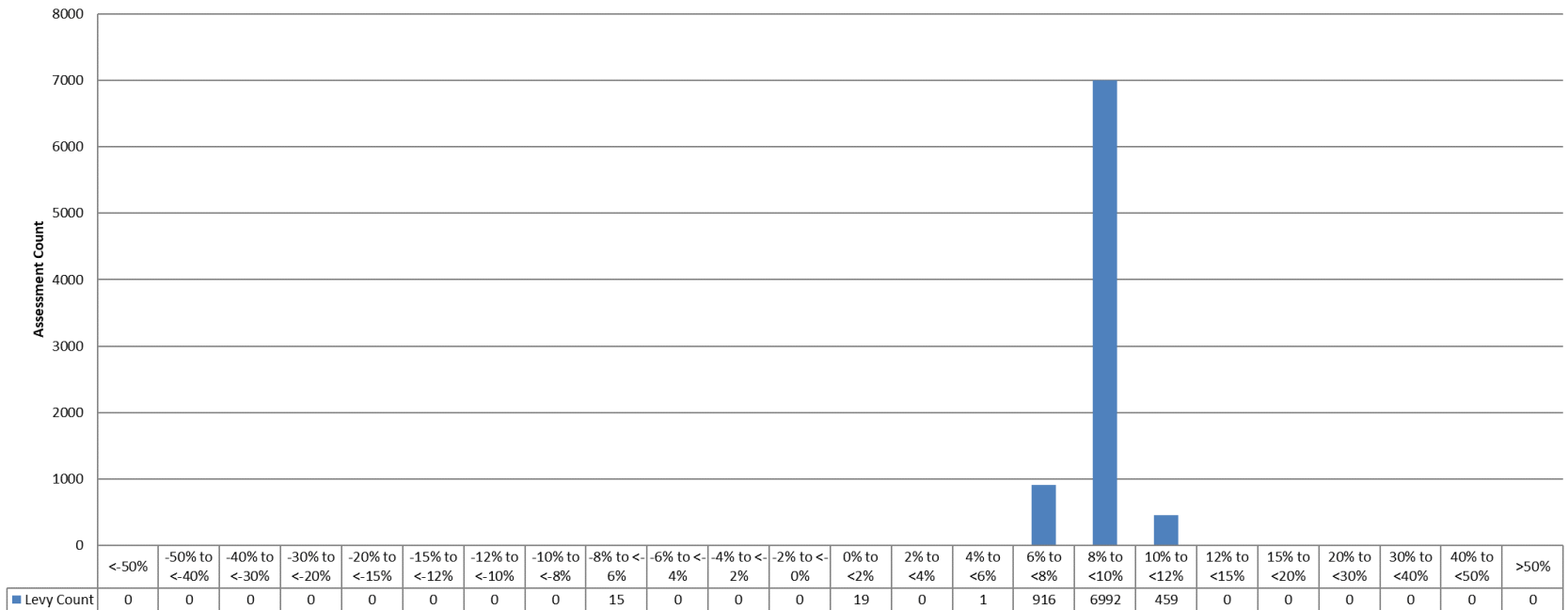
Climate Change Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Paraparaumu

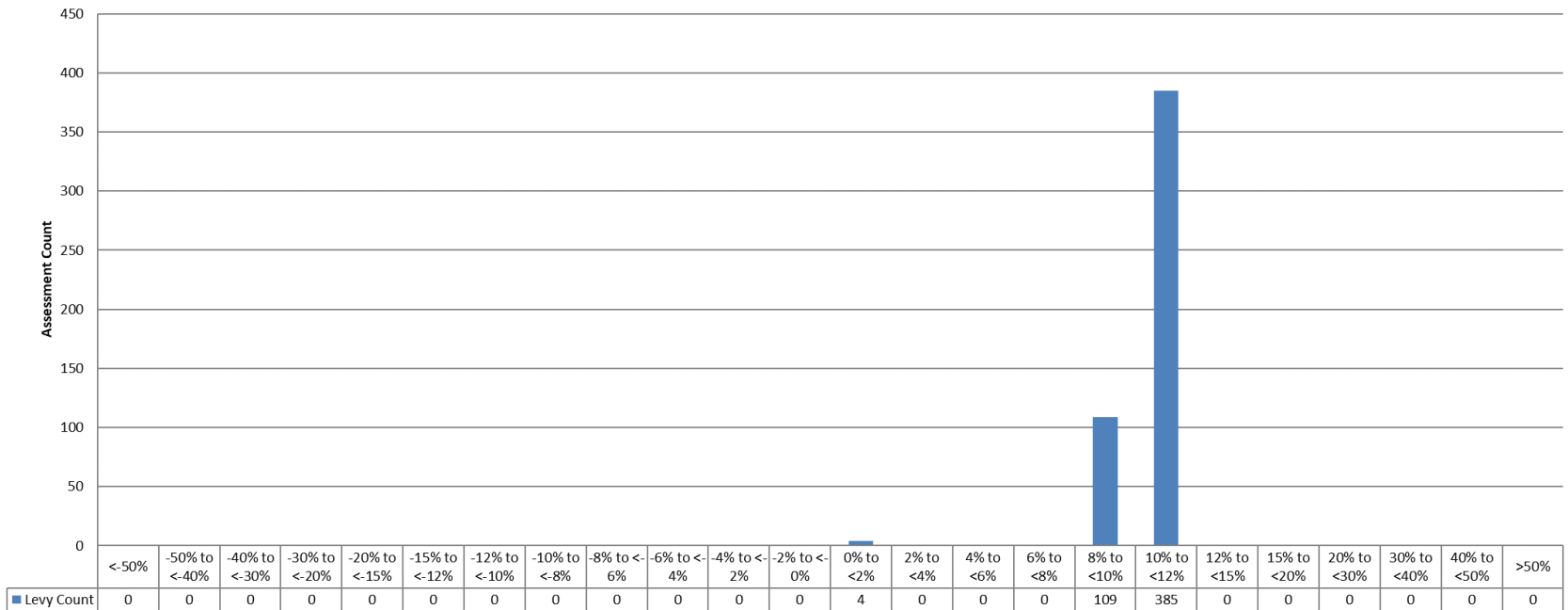
Climate Change Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Paraparaumu

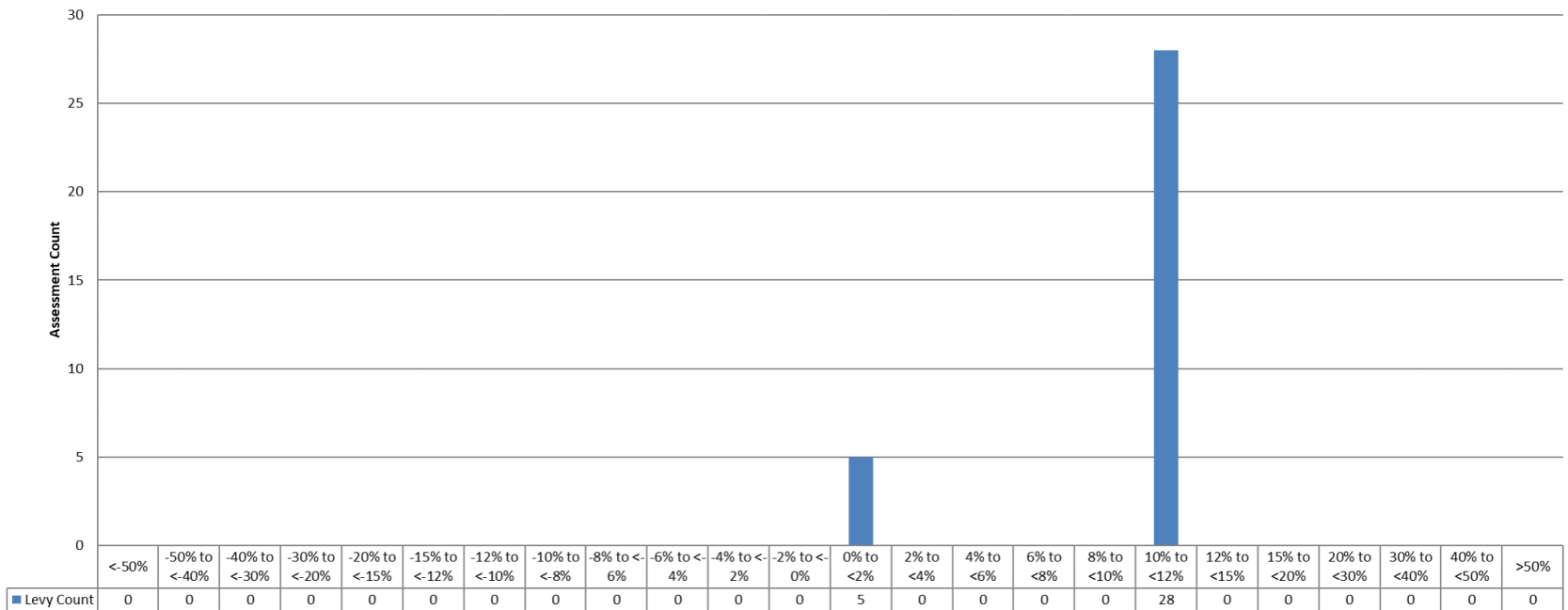
Climate Change Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Paraparaumu

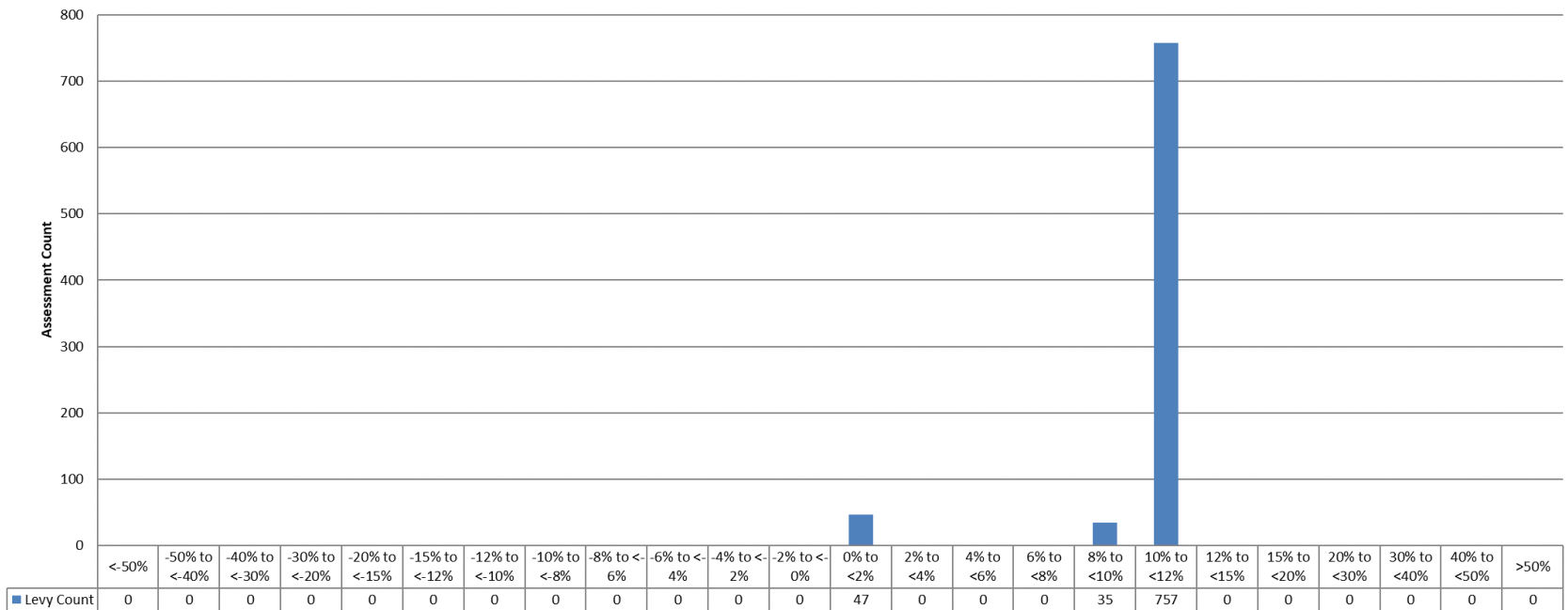
Climate Change Rate Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Paekākāriki

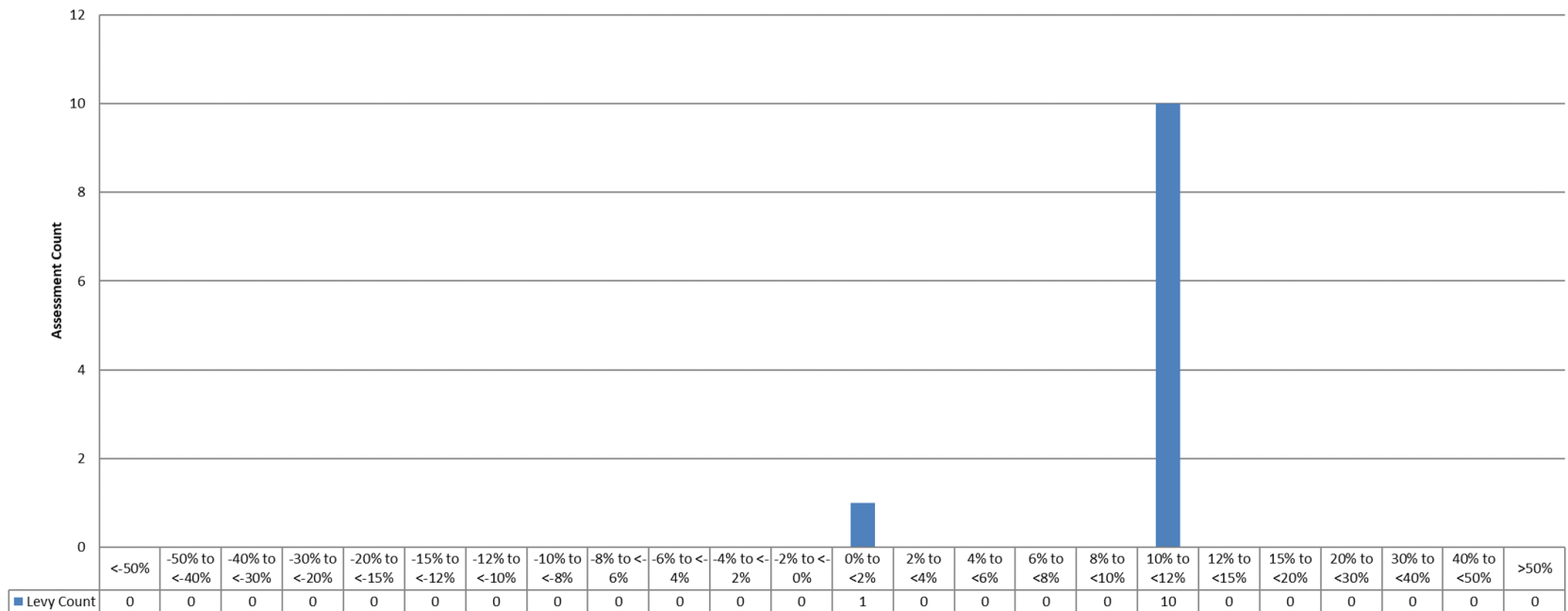
Climate Action Rate Impact on Rates - Paekakariki All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Paekākāriki

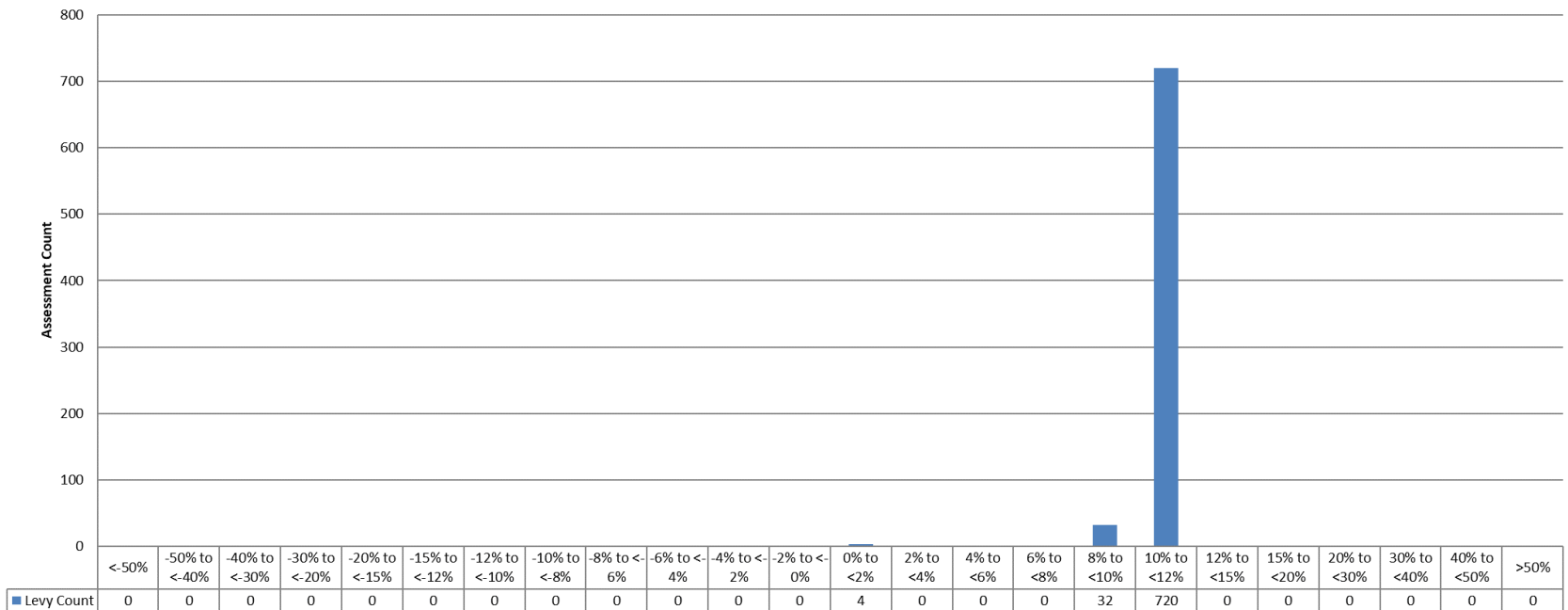
Climate Change Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Paekākāriki

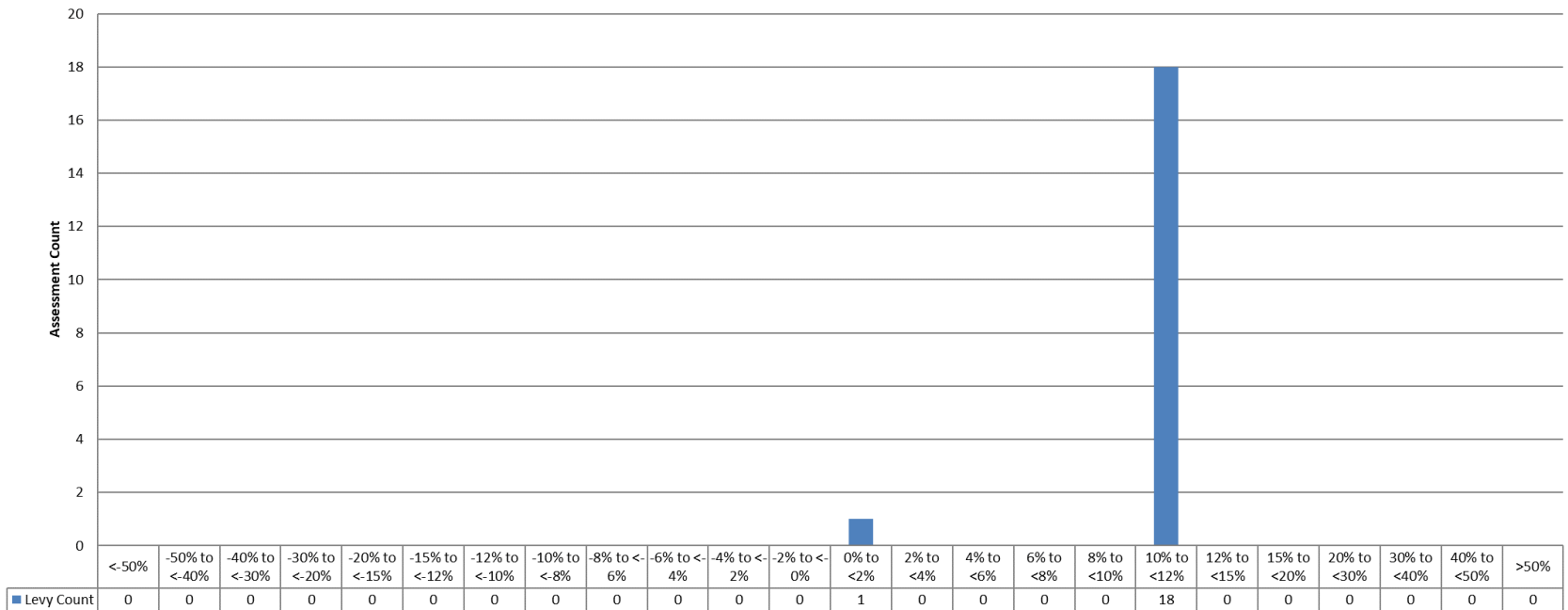
Climate Change Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Paekākāriki

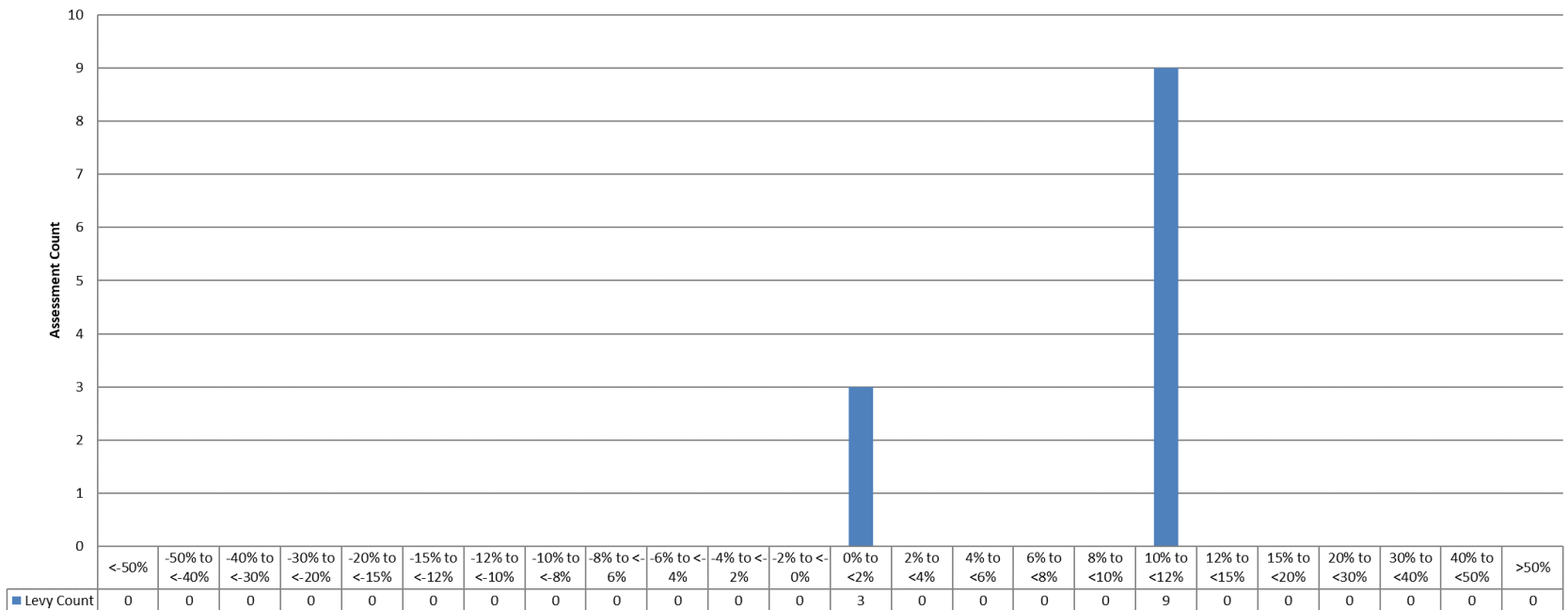
Climate Change Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 2 - Climate Action Targeted Rate Paekākāriki

Climate Change Rate Impact on Rates - Rural



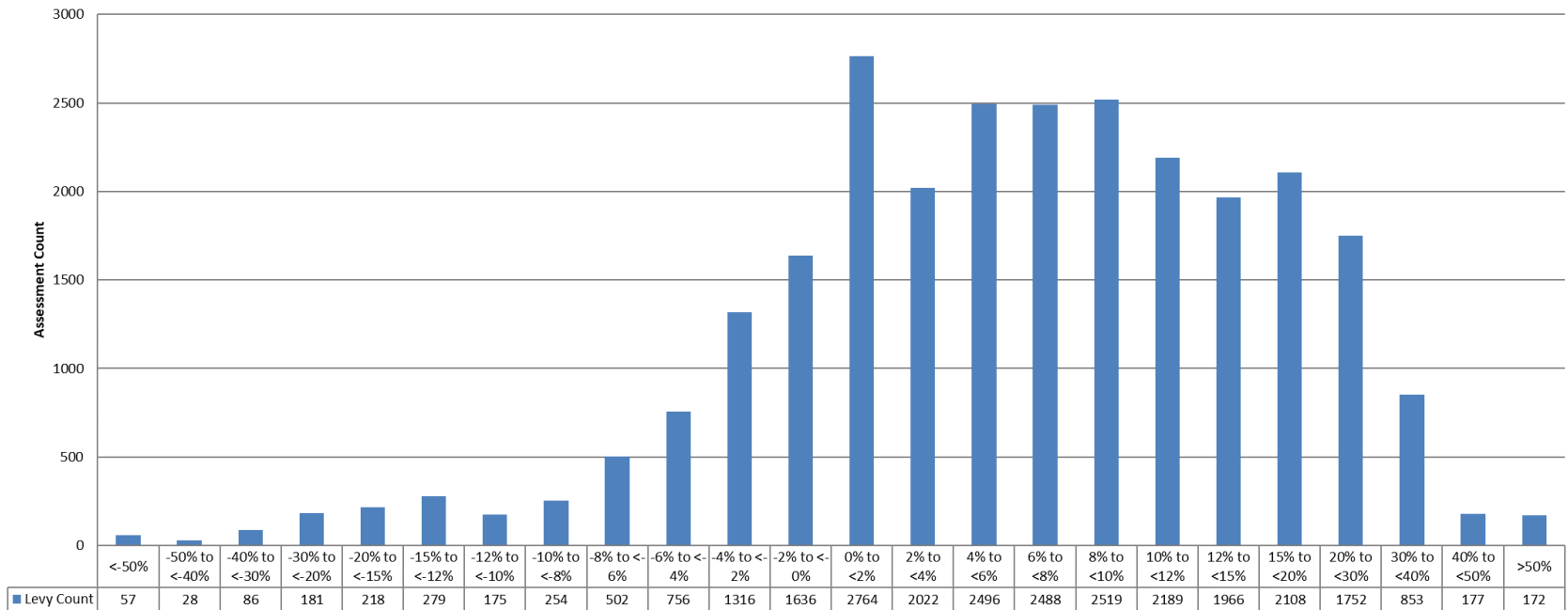
Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Change Community Facilities targeted rate from SUIP to CV

- Community Facilities rate – currently a fixed charge per SUIP. Propose to change to a capital value rate.
- Fixed charges will always bring regression to a rating system.
- Capital value widely regarded as best available indicator of ability to pay in a rating system.
- This will move us away from the target rating system mix of 1/3 CV, 1/3 LV, 1/3 Fixed

Option 3: Community Facilities change to CV impact on rates

Community Facilities to CV Impact on Rates - All Properties

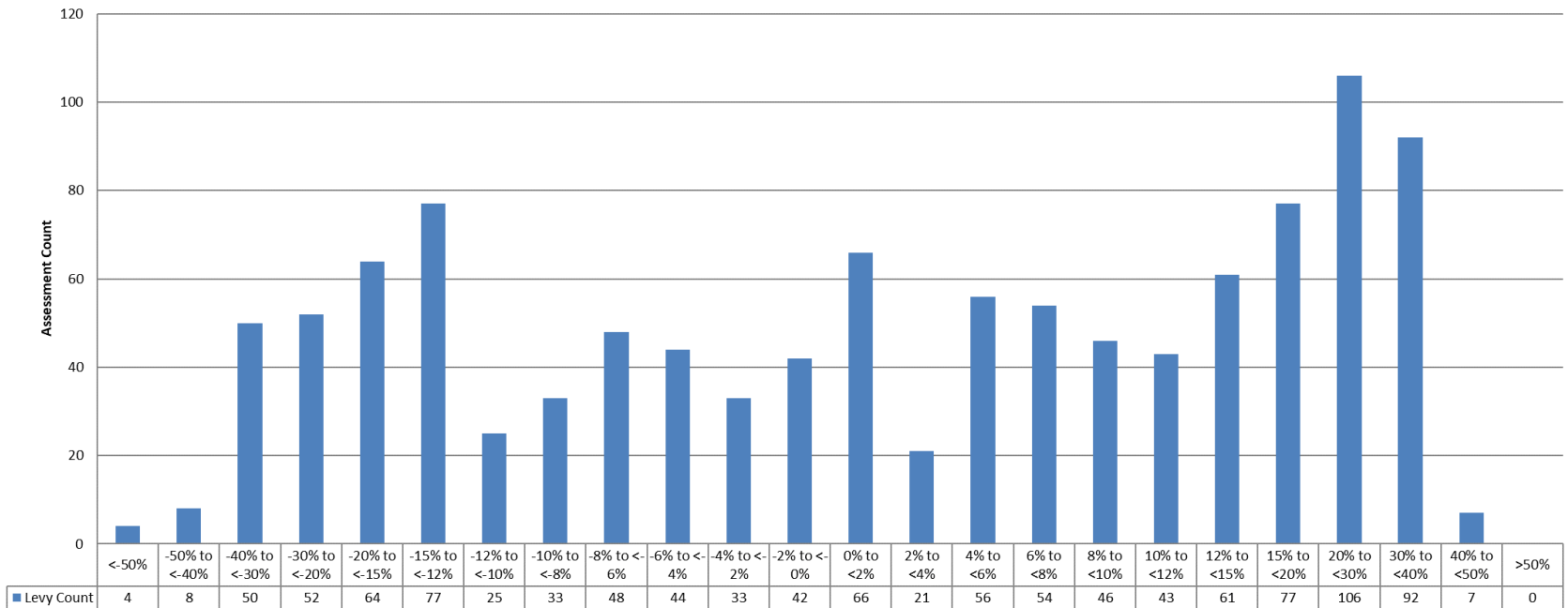


Based on 2024/25 proposed rates increase, excluding water rates

Properties with one SUIP's and a CV \$800,000 or below would pay less. Properties with CV's higher than \$800,000 and one SUIP would pay more. Properties with multiple SUIP's would also pay less

Option 3: Community Facilities change to CV impact on rates – All properties

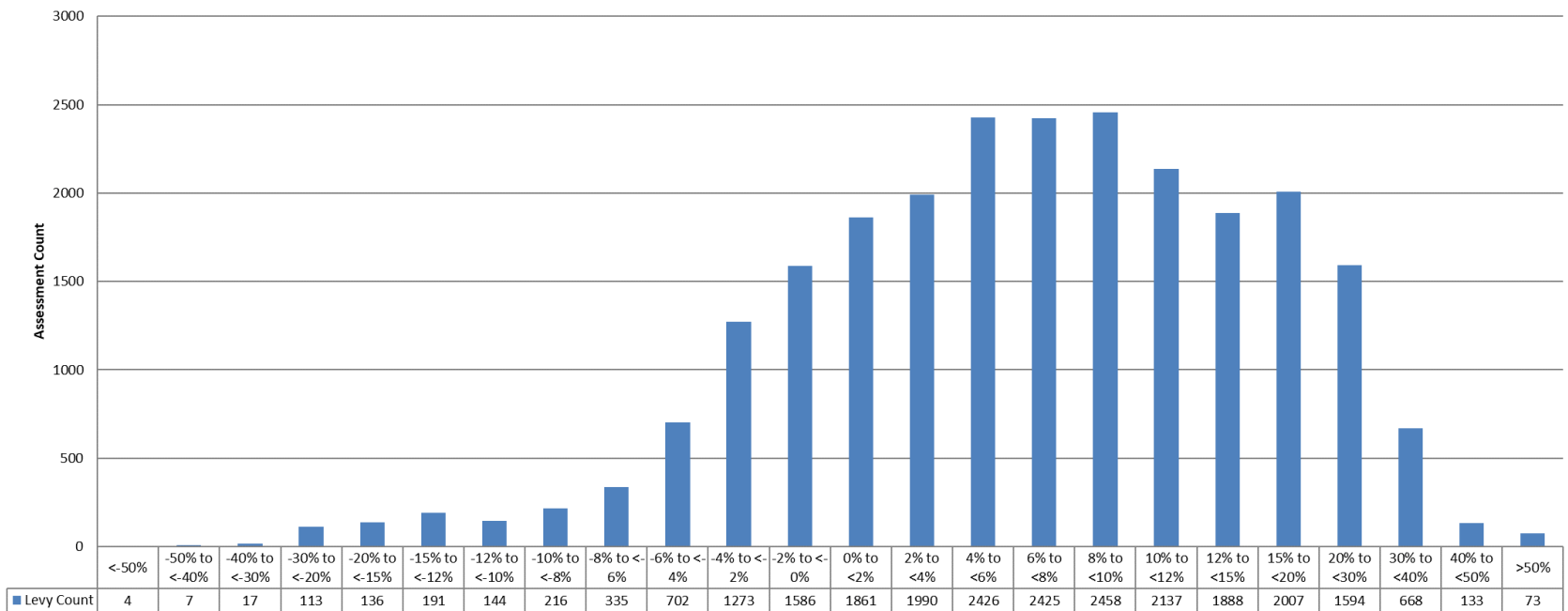
Community Facilities CV Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates – All properties

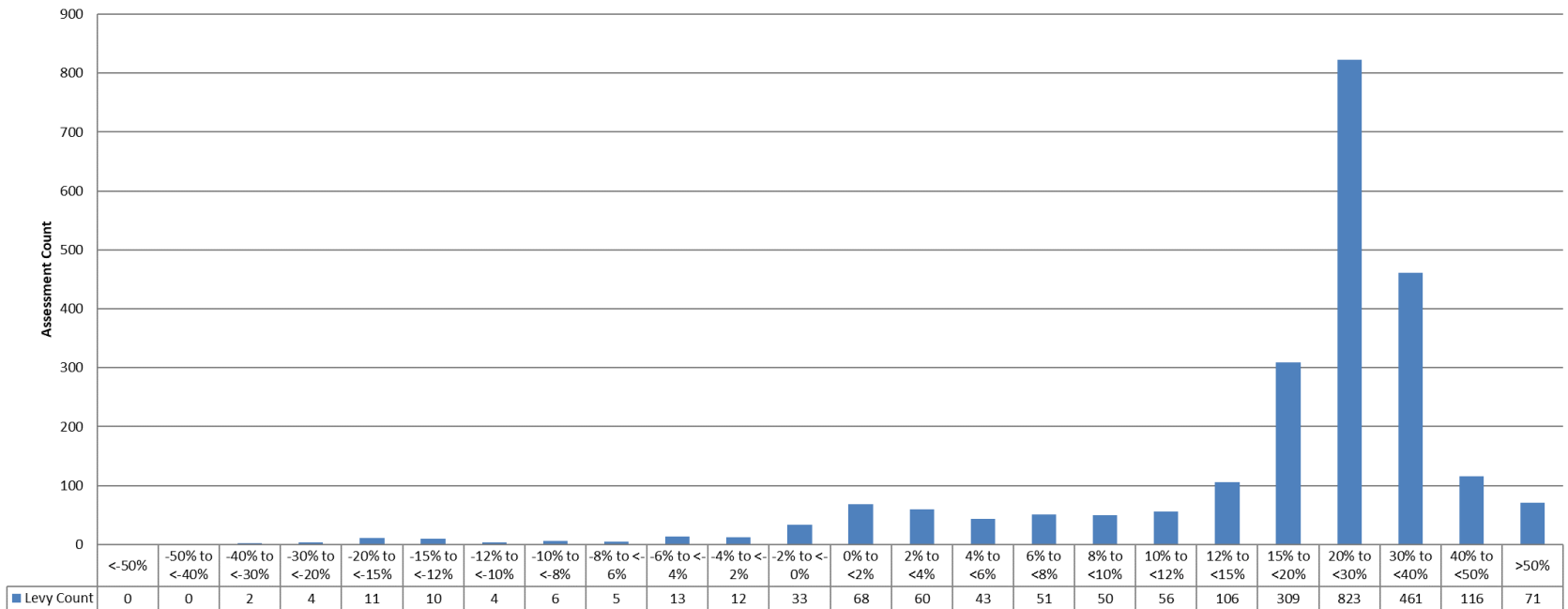
Community Facilities CV Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates – All properties

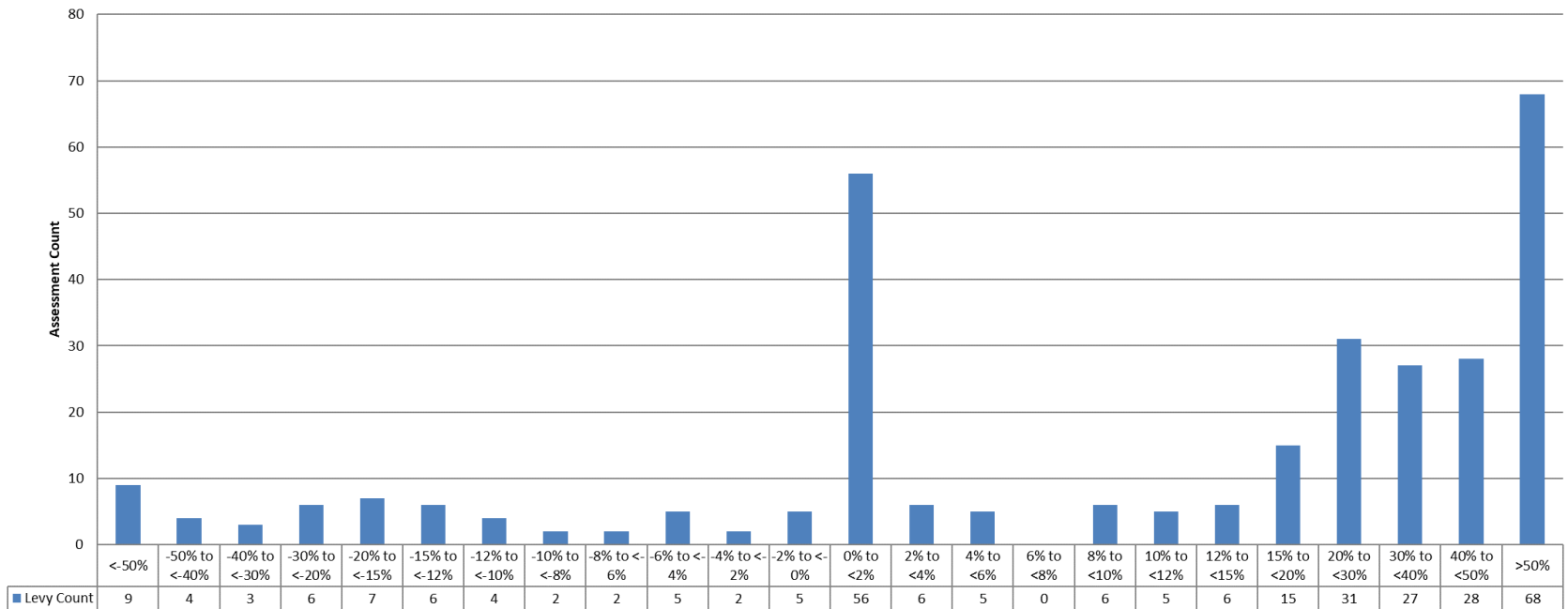
Community Facilities CV Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates – All properties

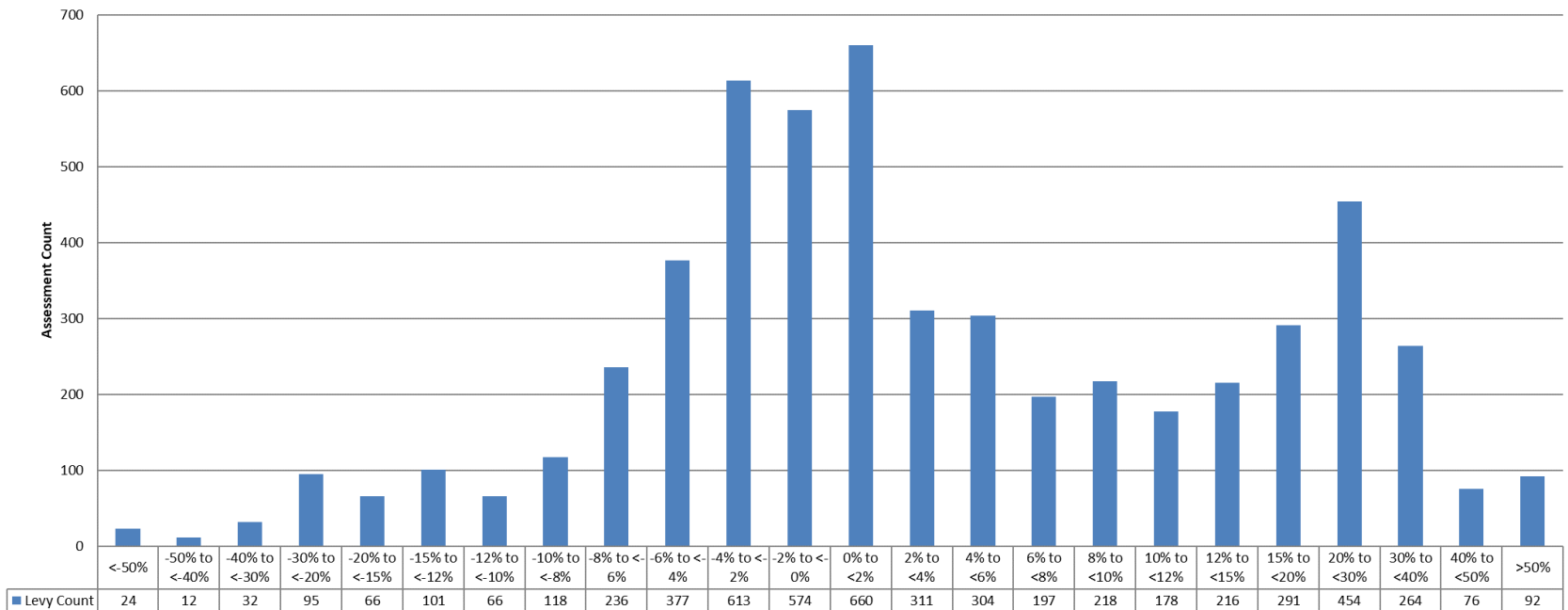
Community Facilities CV Rate Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Otaki

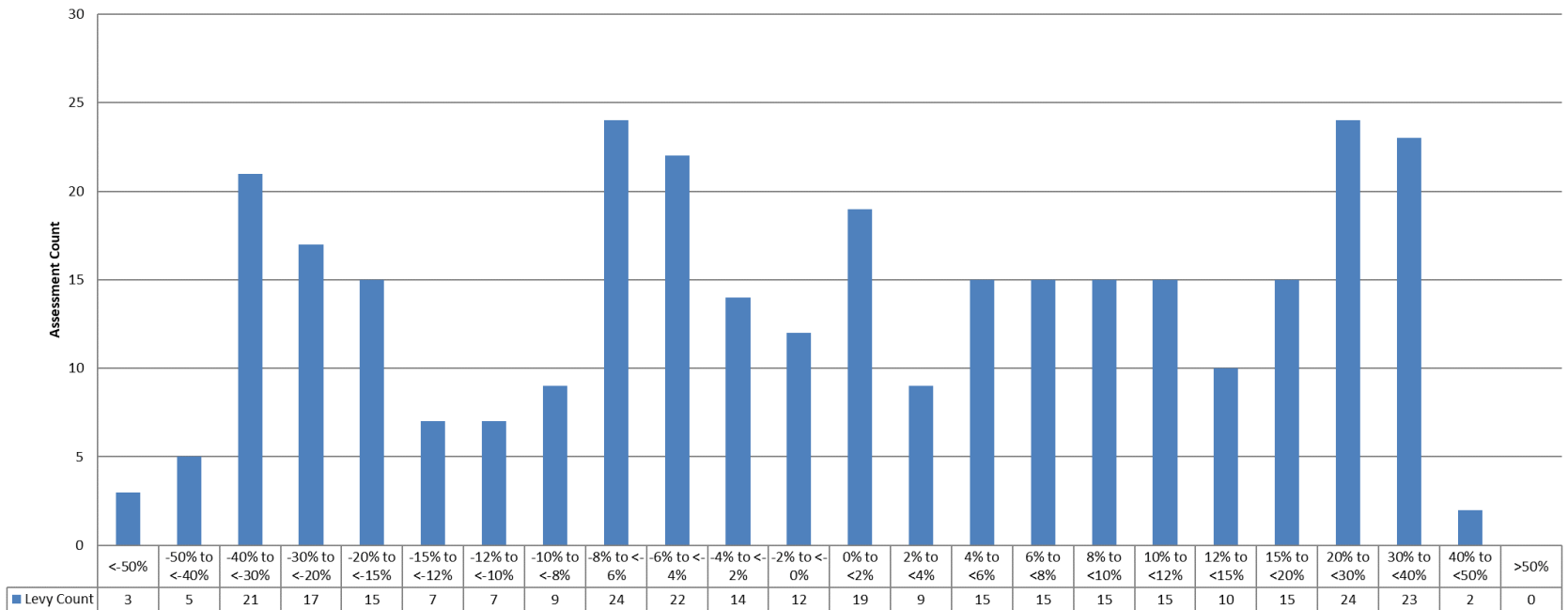
Community Facilities CV Rate Impact on Rates - Otaki all Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Otaki

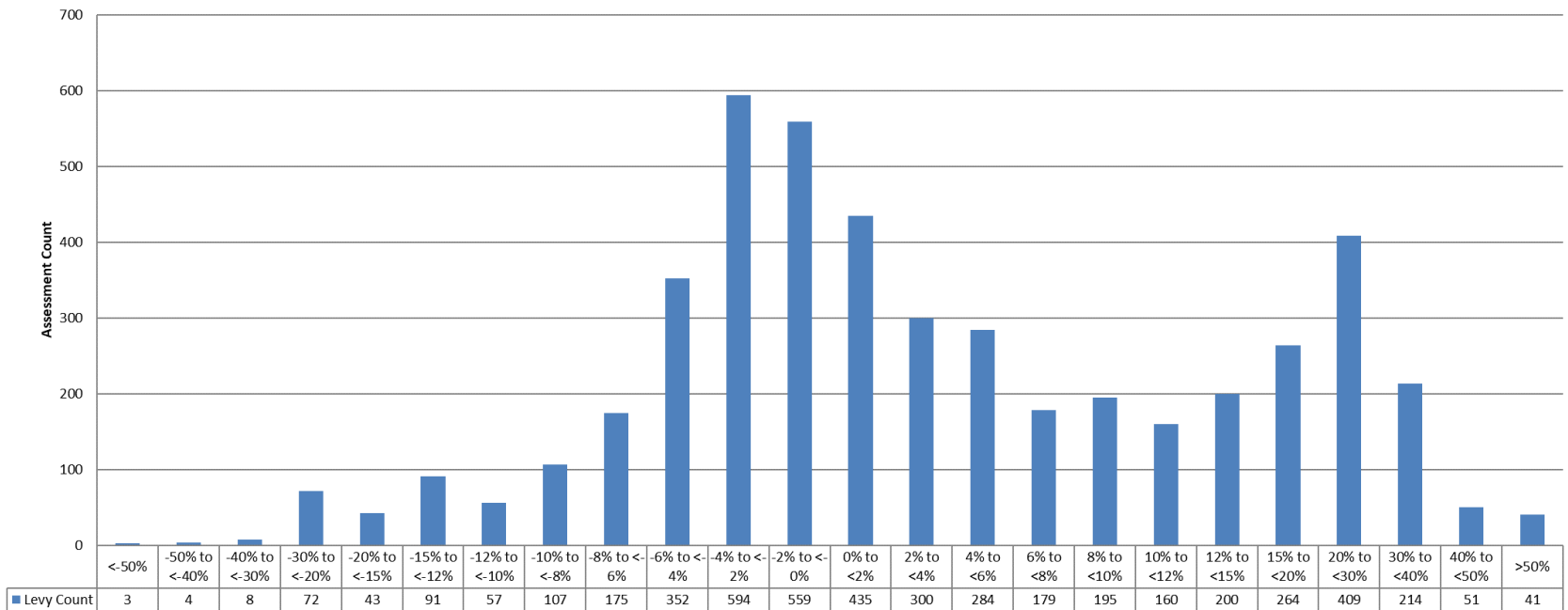
Community Facilities CV Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Otaki

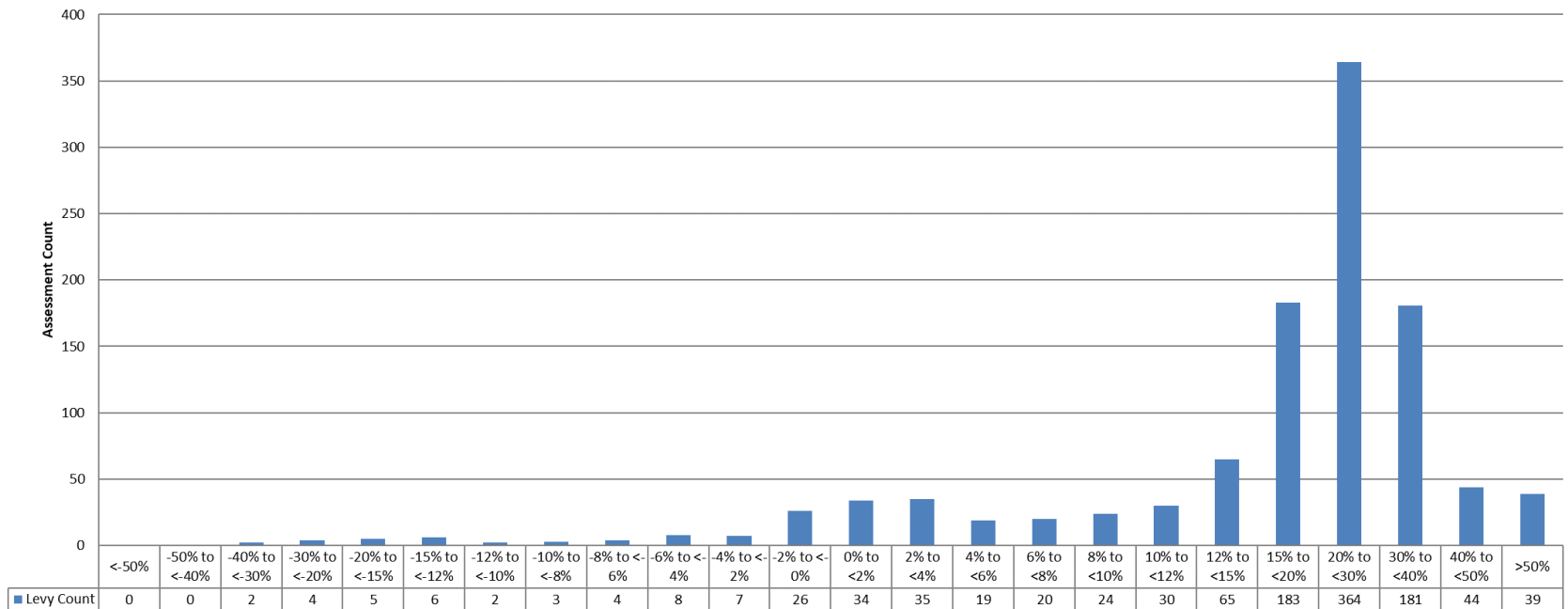
Community Facilities CV Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Otaki

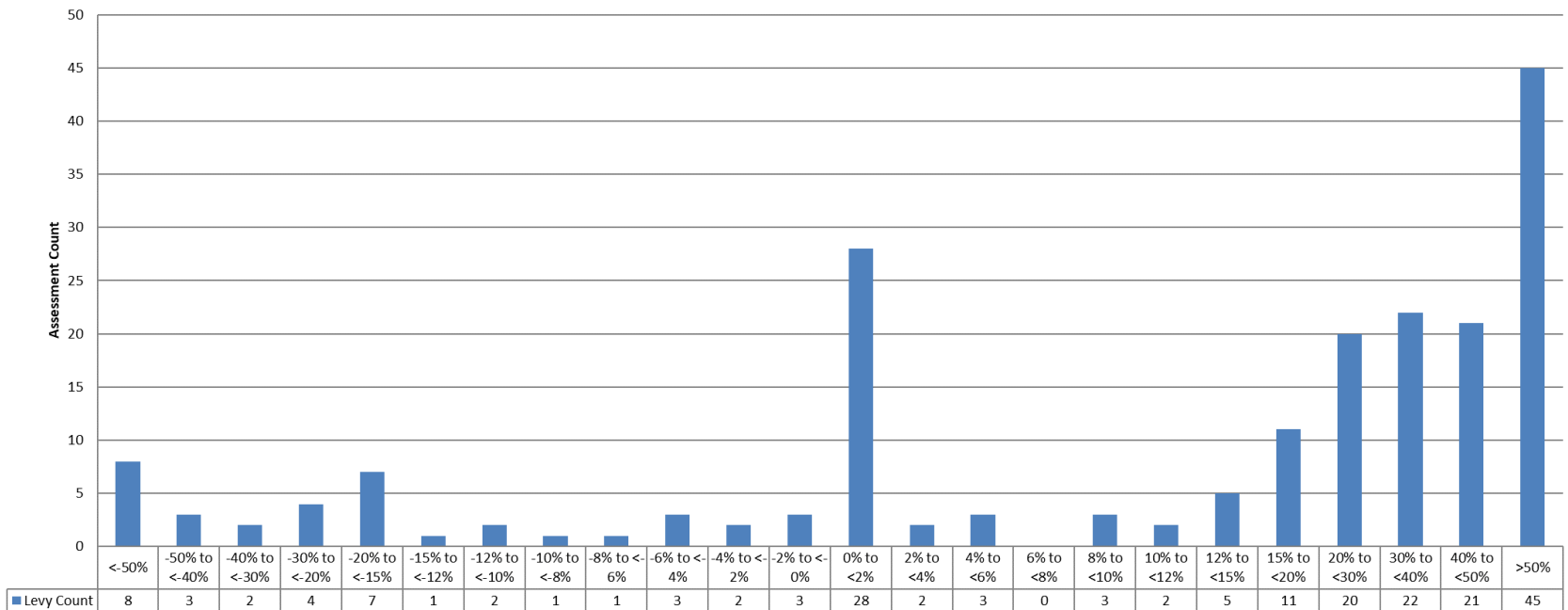
Community Facilities CV Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Otaki

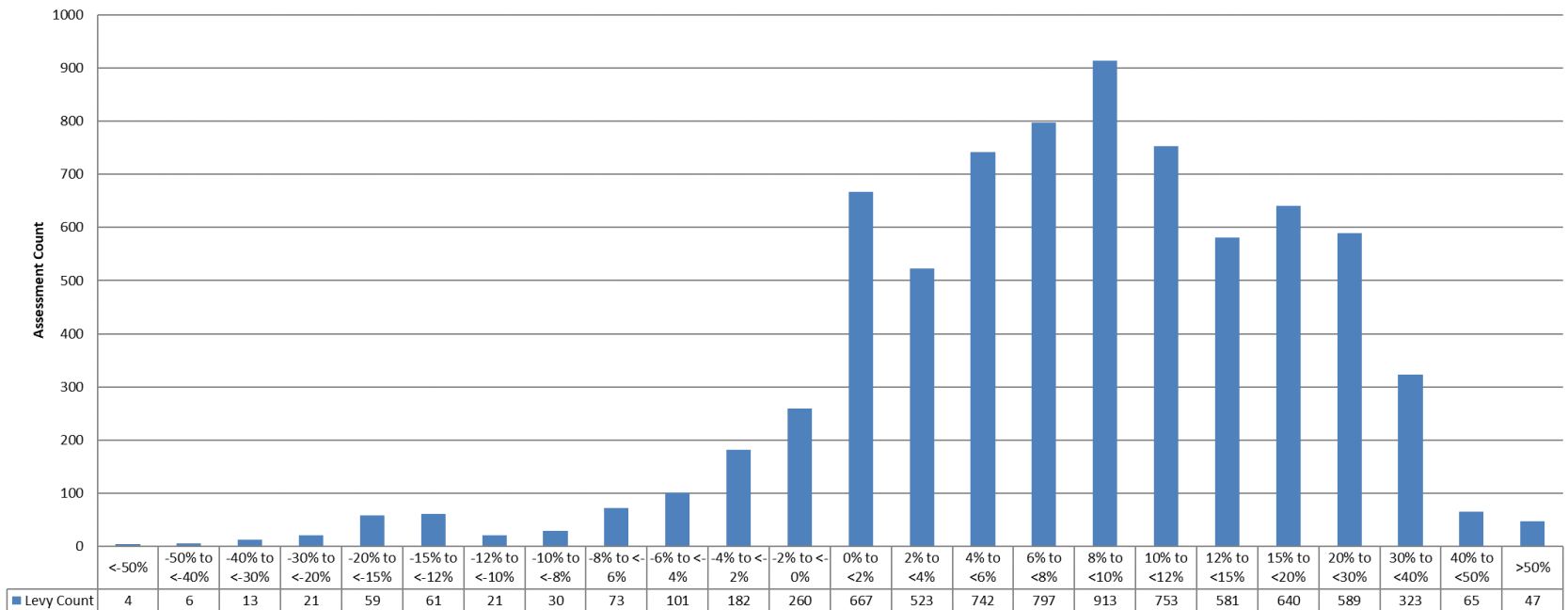
Community Facilities CV Rate Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Waikanae

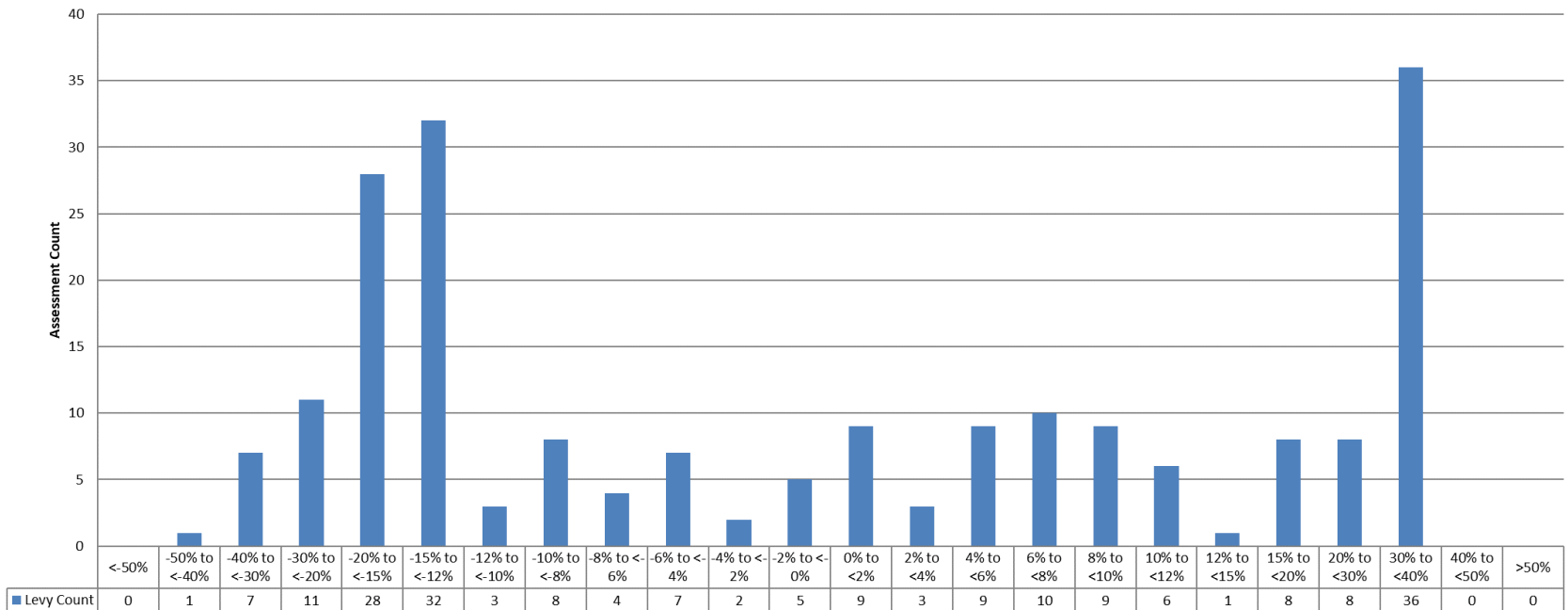
Community Facilities CV Rate Impact on Rates - Waikanae all Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Waikanae

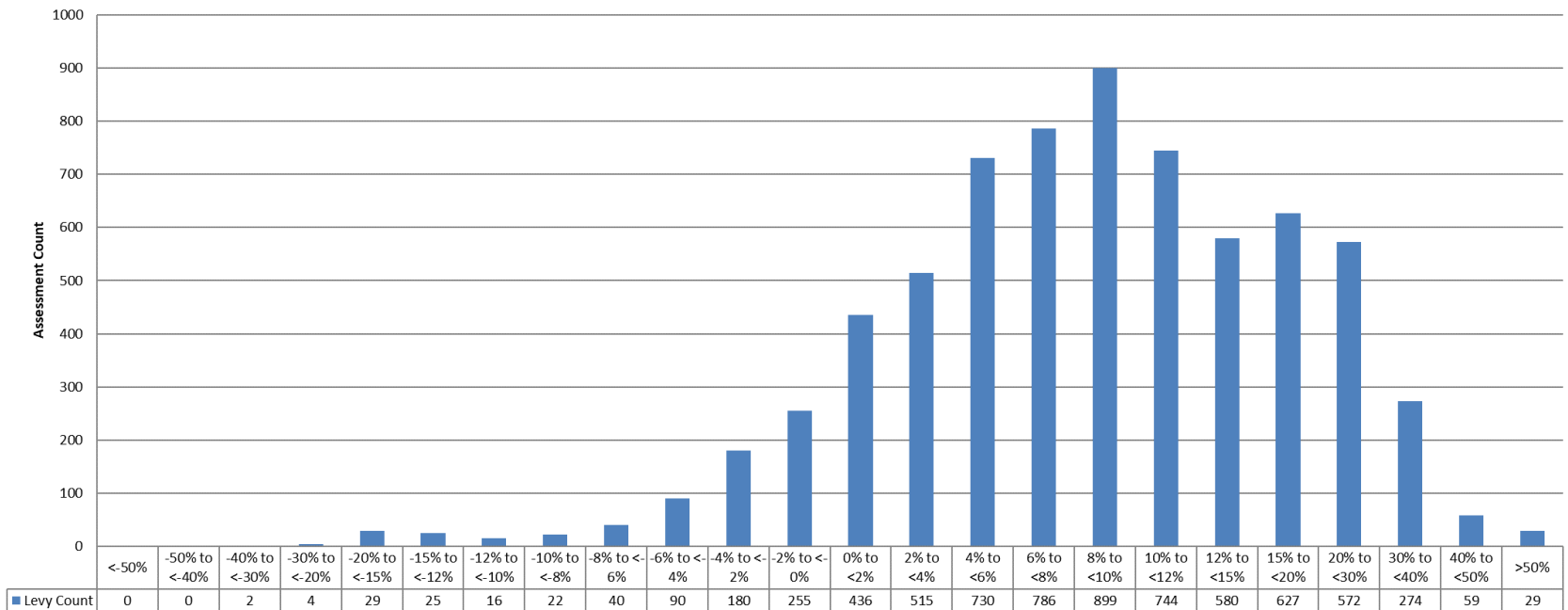
Community Facilities CV Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Waikanae

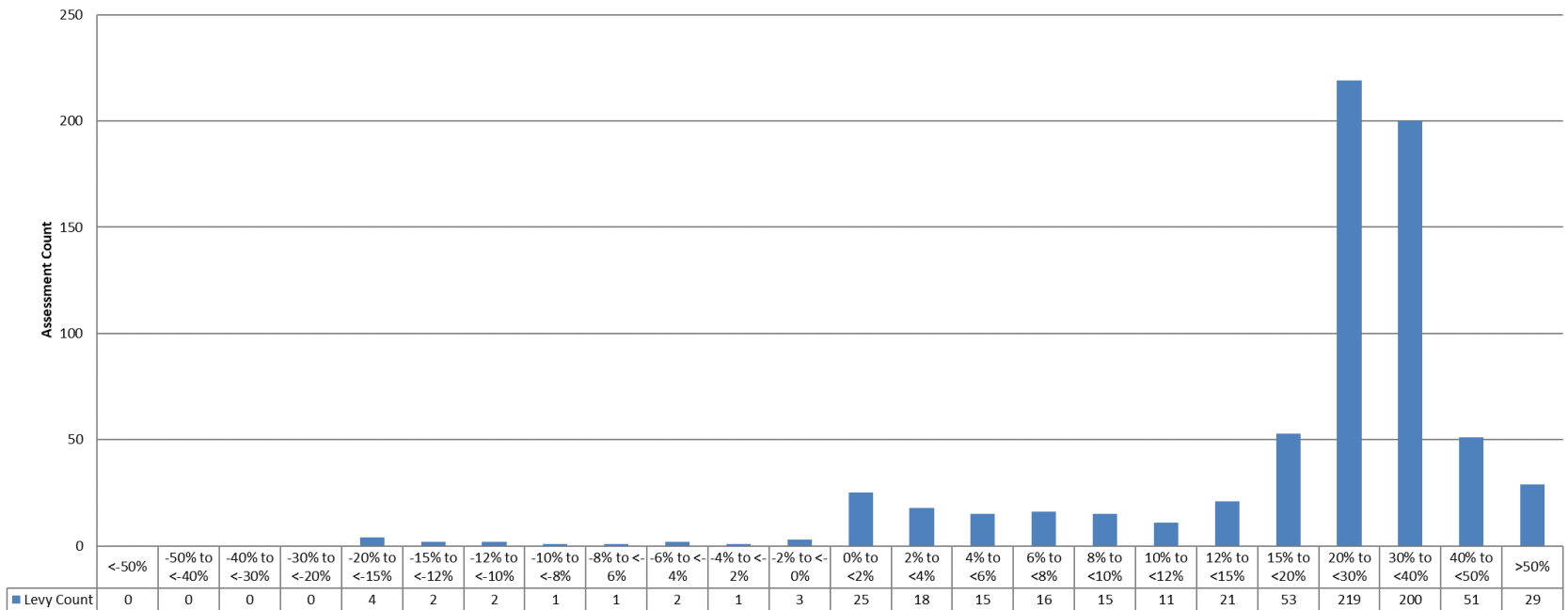
Community Facilities CV Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Waikanae

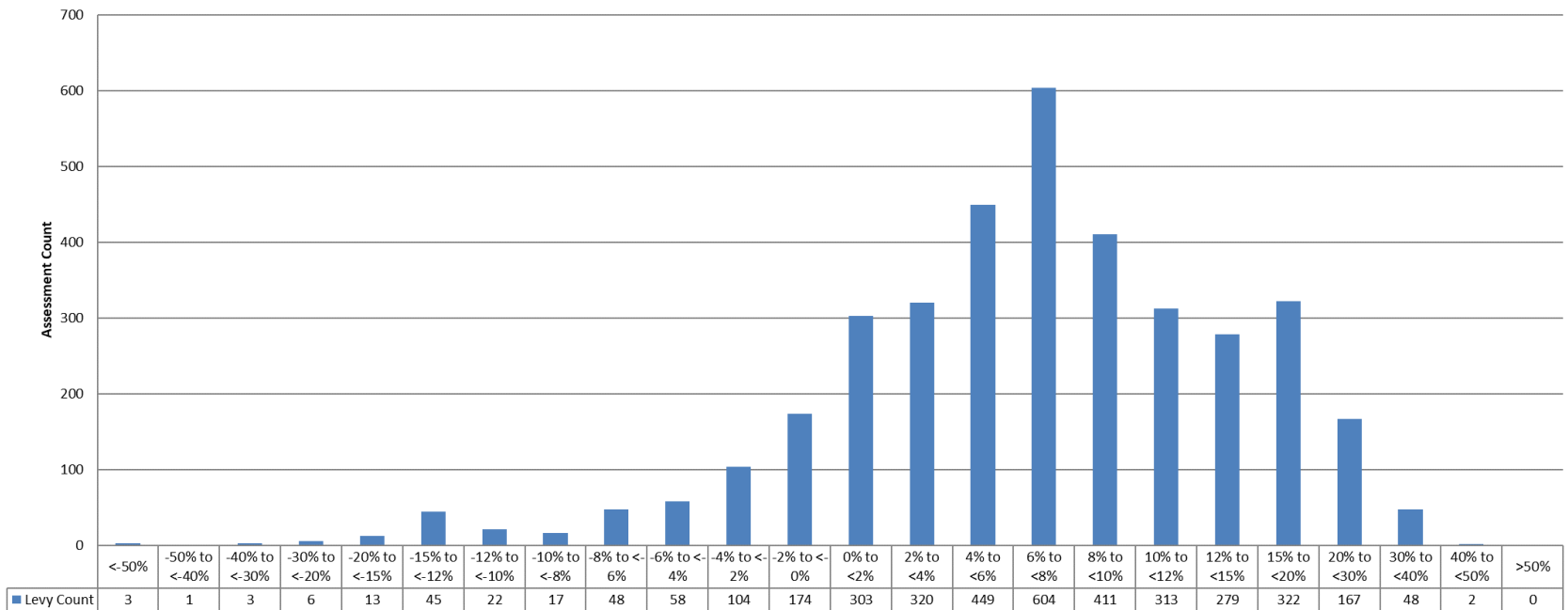
Community Facilities CV Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Raumati

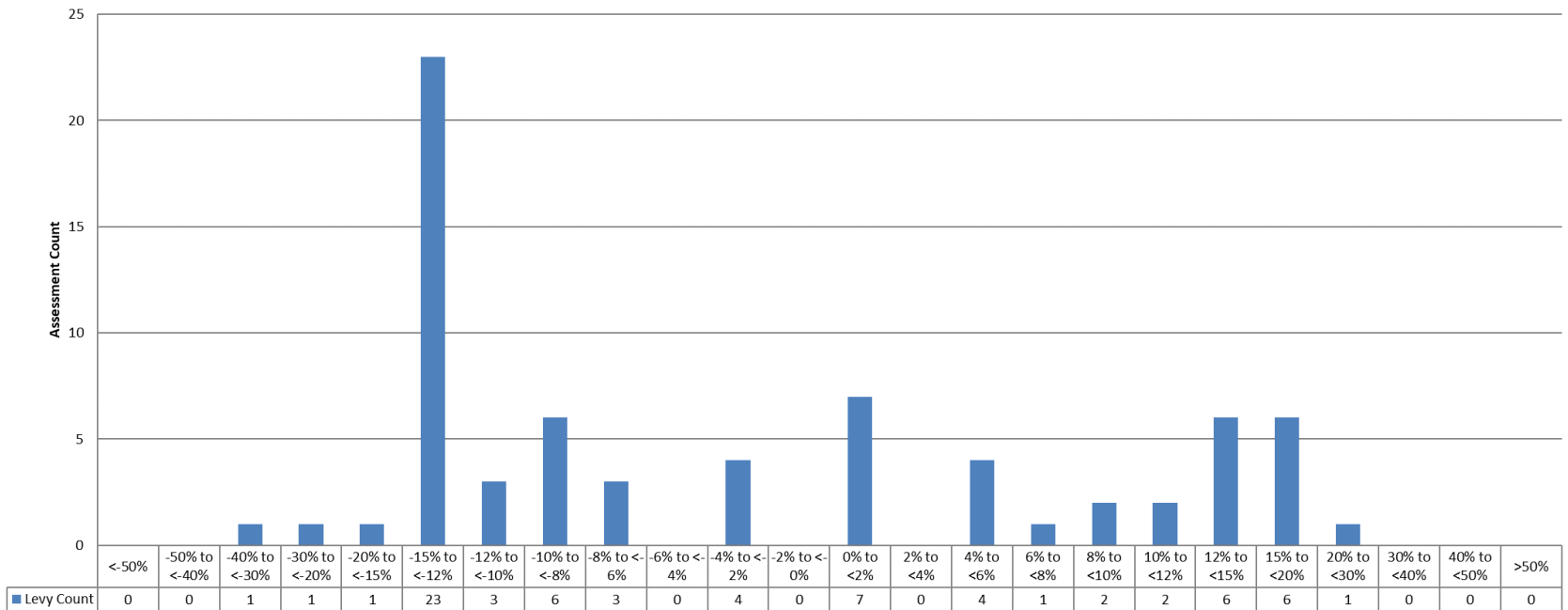
Community Facilities CV Rate Impact on Rates - Raumati all Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Raumati

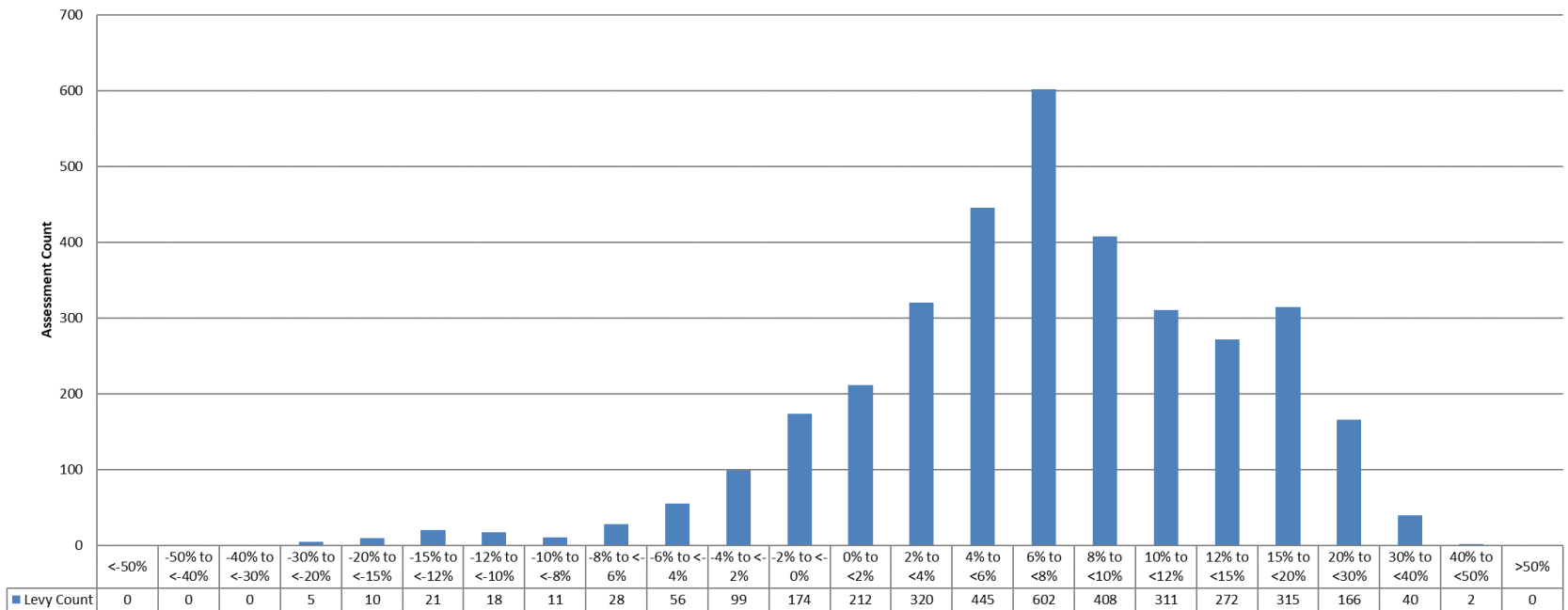
Community Facilities CV Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Raumati

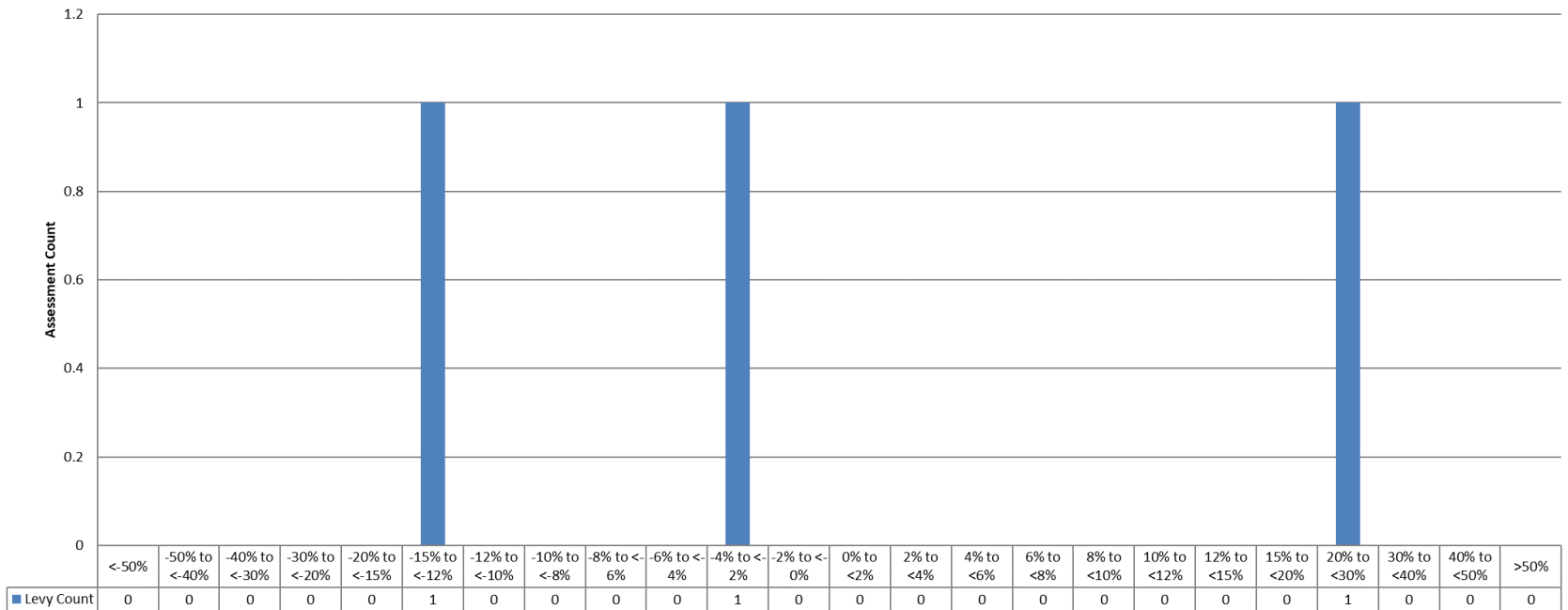
Community Facilities CV Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Raumati

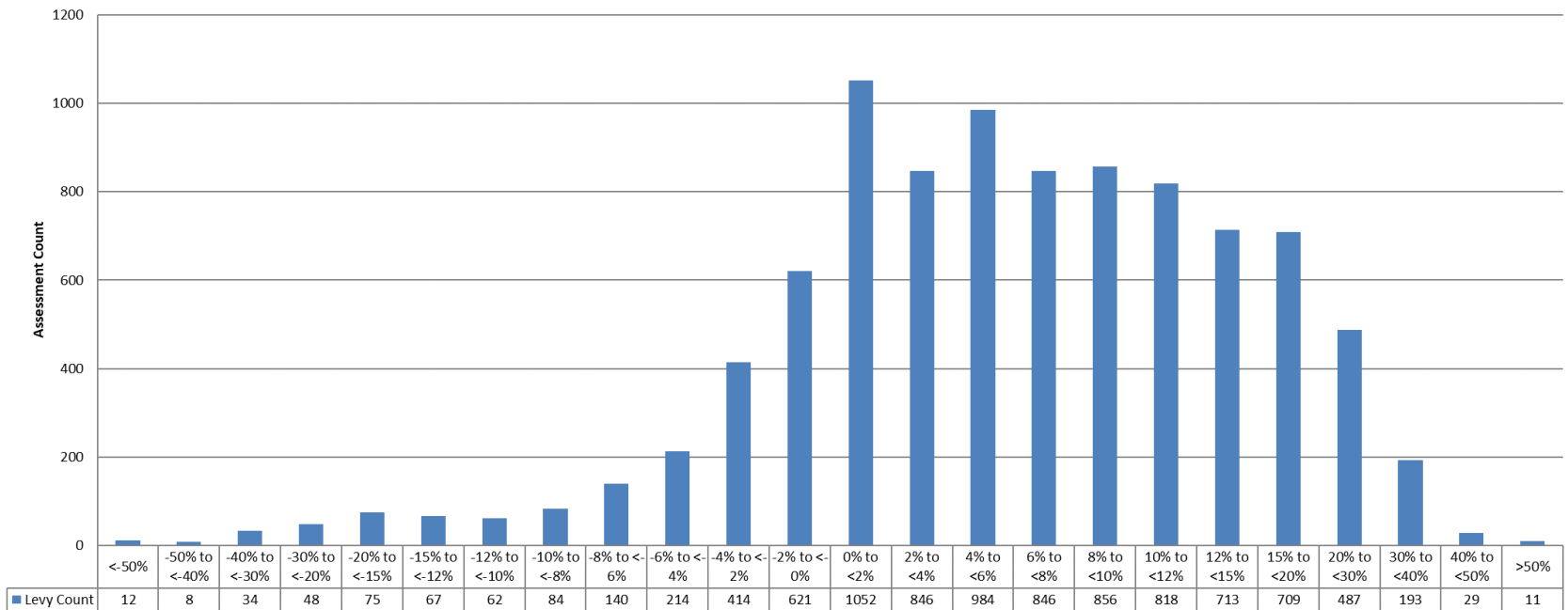
Community Facilities CV Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Paraparaumu

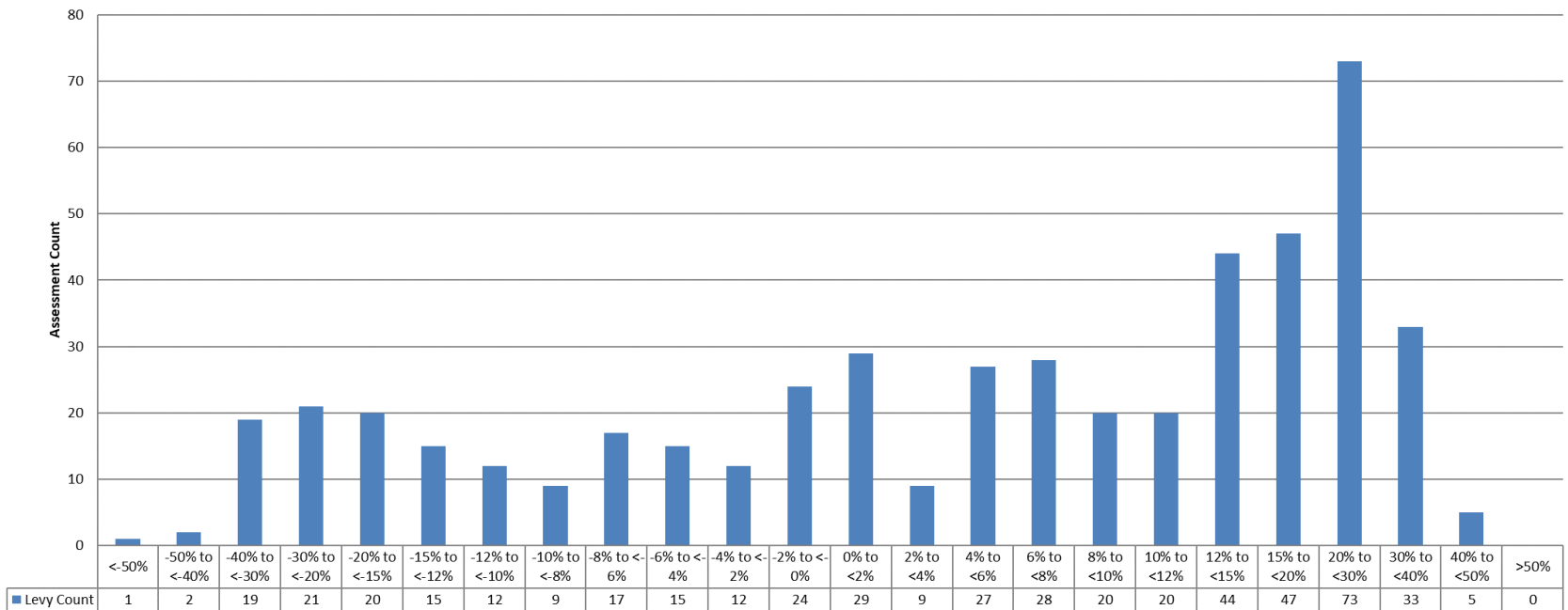
Community Facilities CV Rate Impact on Rates - Paraparaumu all Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Paraparaumu

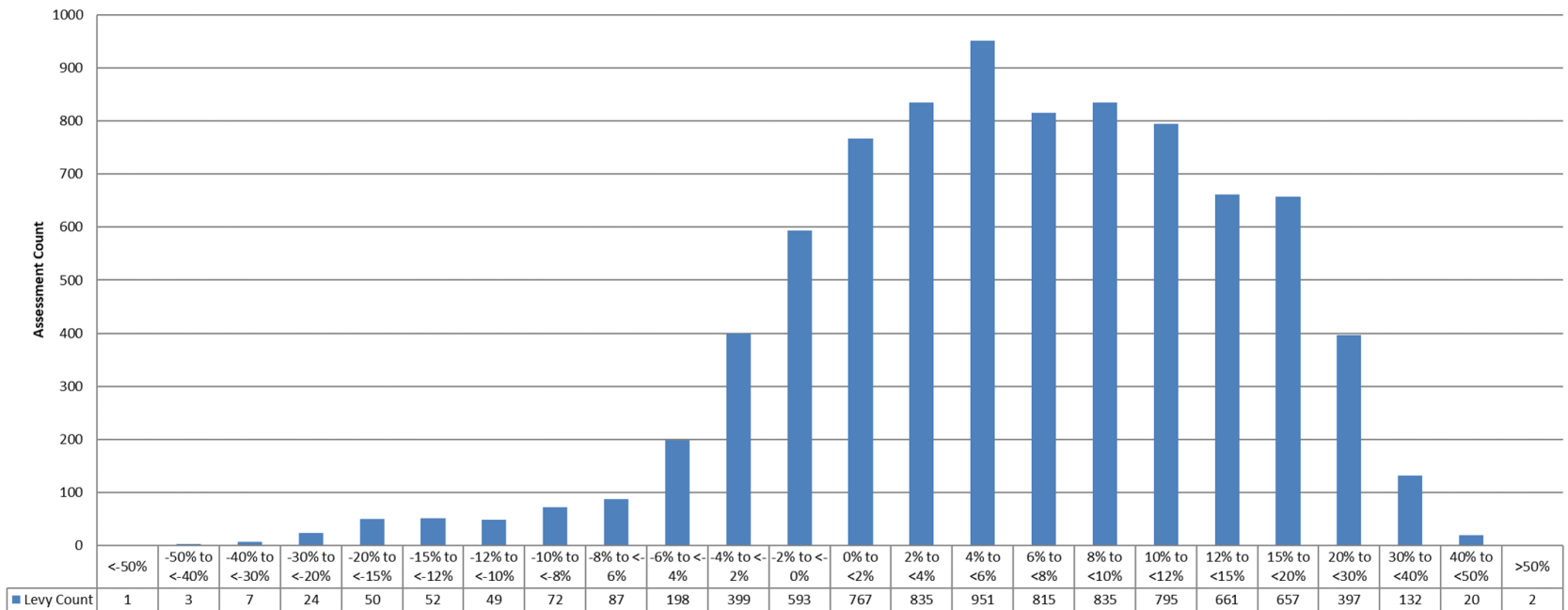
Community Facilities CV Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Paraparaumu

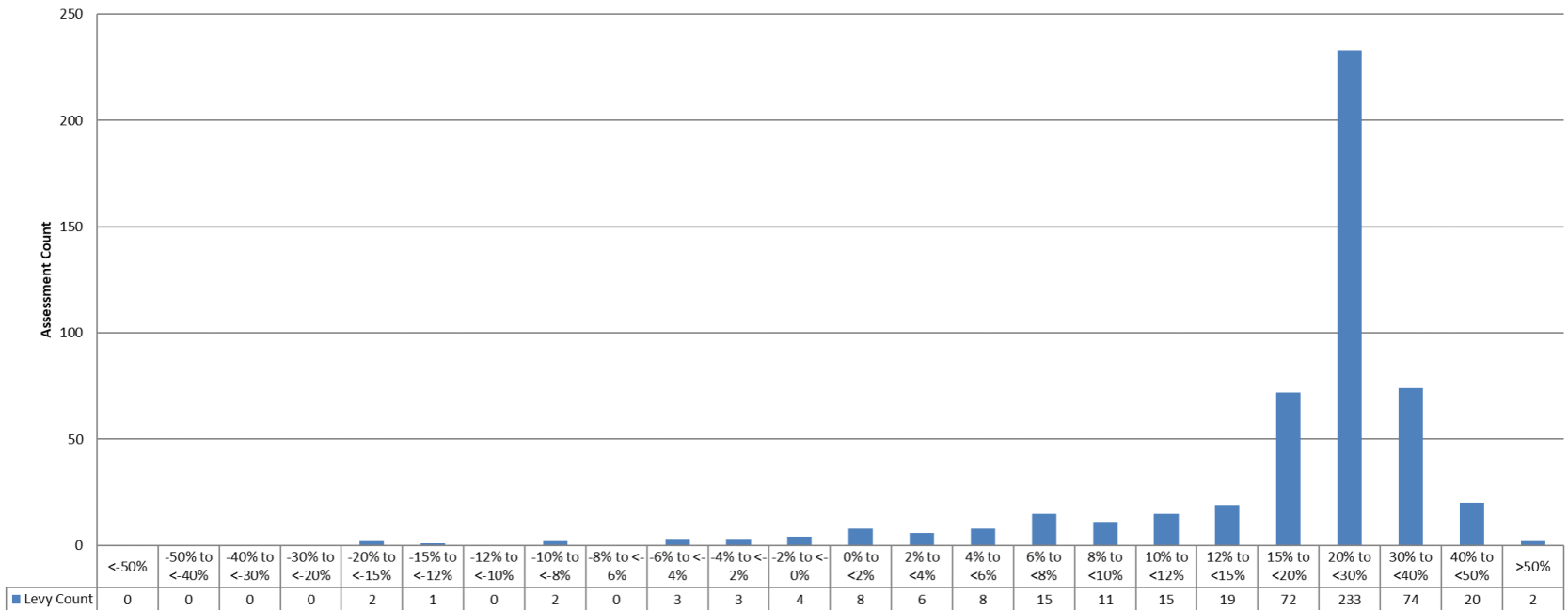
Community Facilities CV Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Paraparaumu

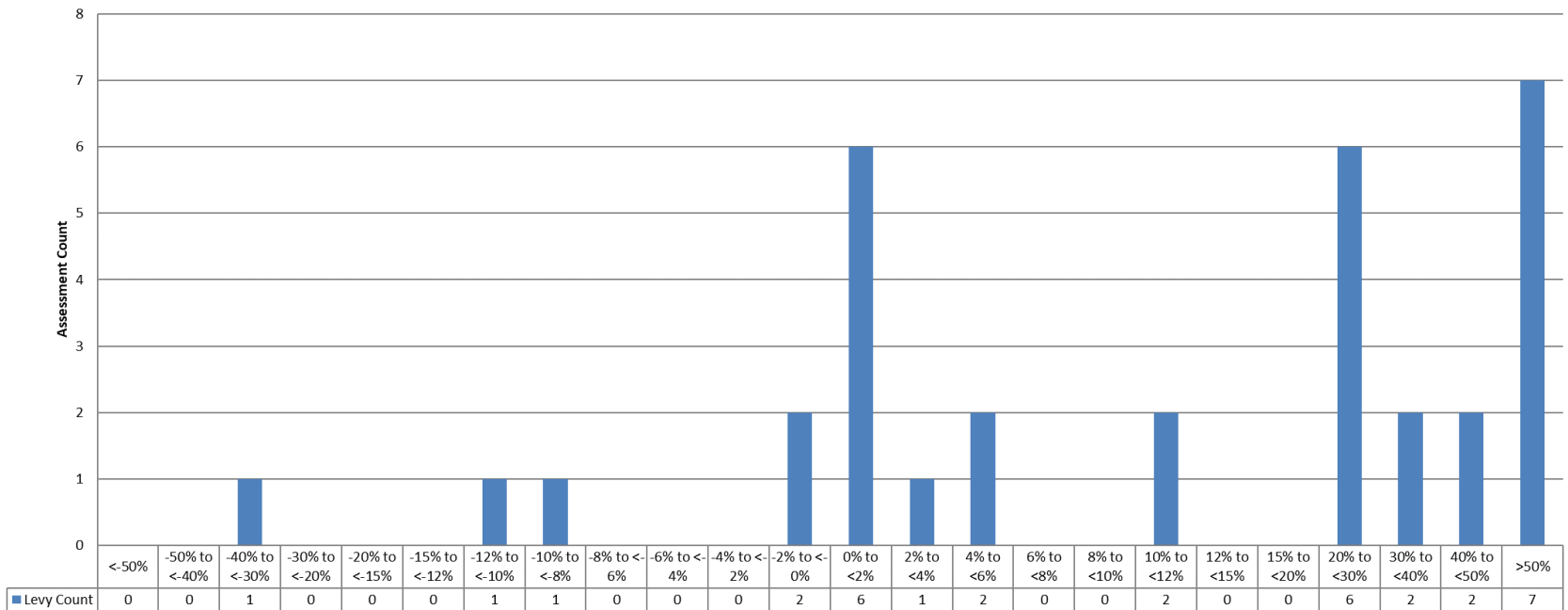
Community Facilities CV Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Paraparaumu

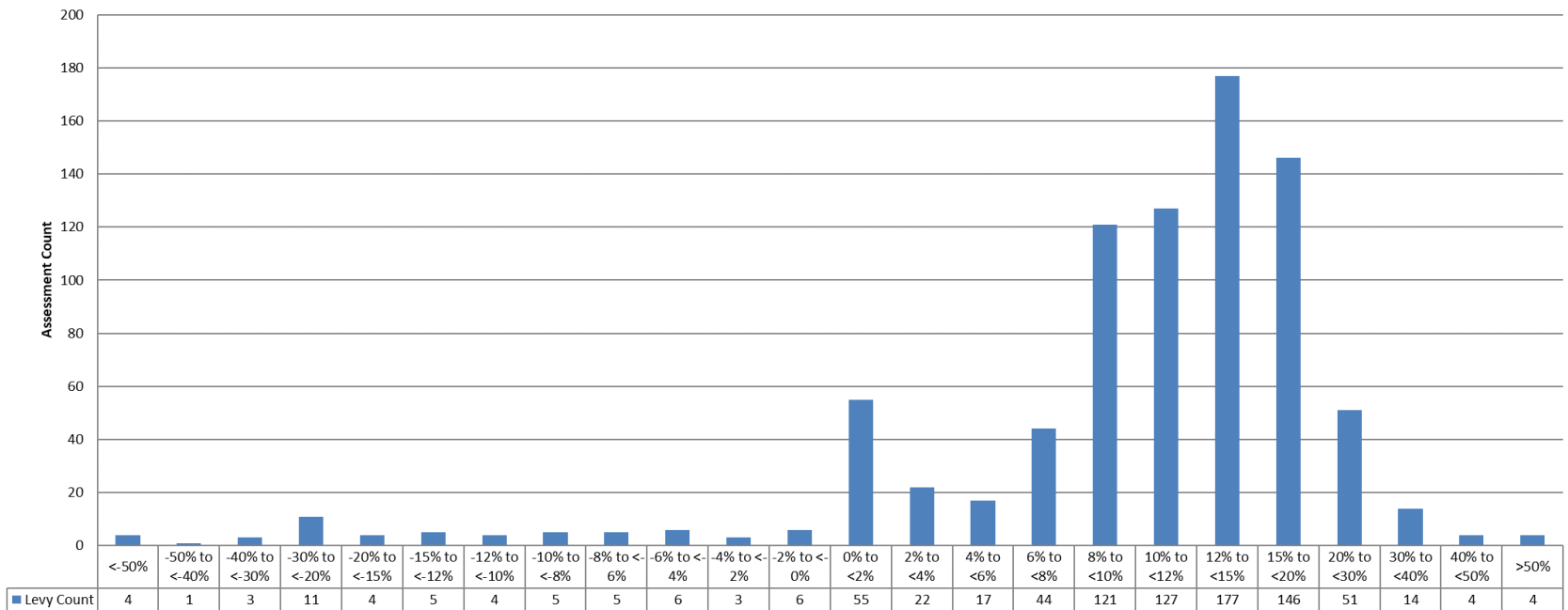
Community Facilities CV Rate Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Paekakariki

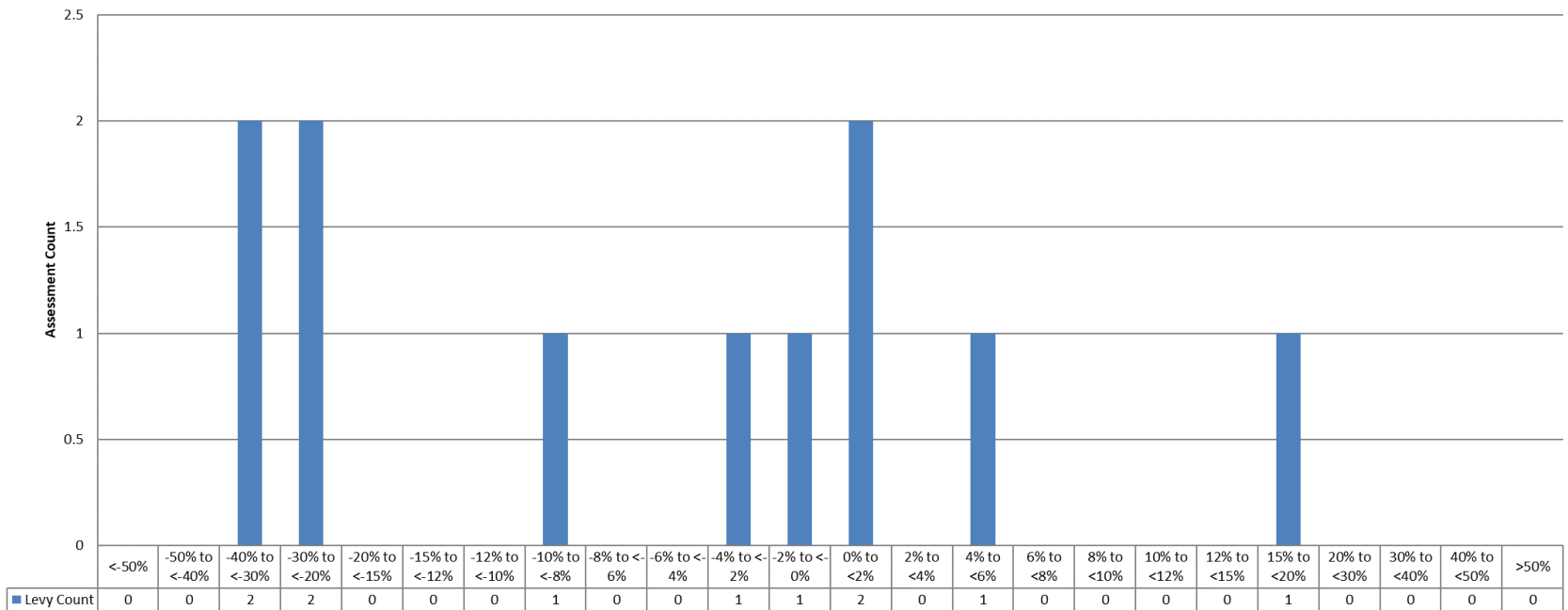
Community Facilities CV Rate Impact on Rates - Paekakariki all Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Paekakariki

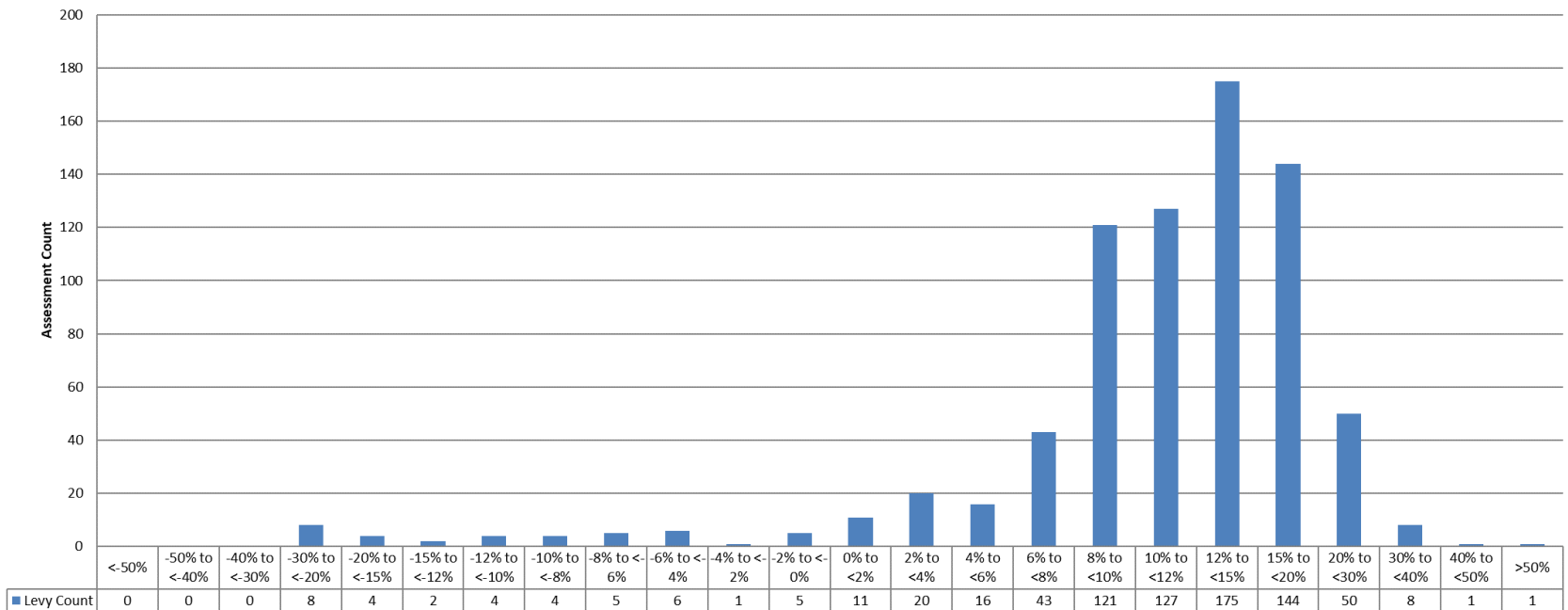
Community Facilities CV Rate Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Paekakariki

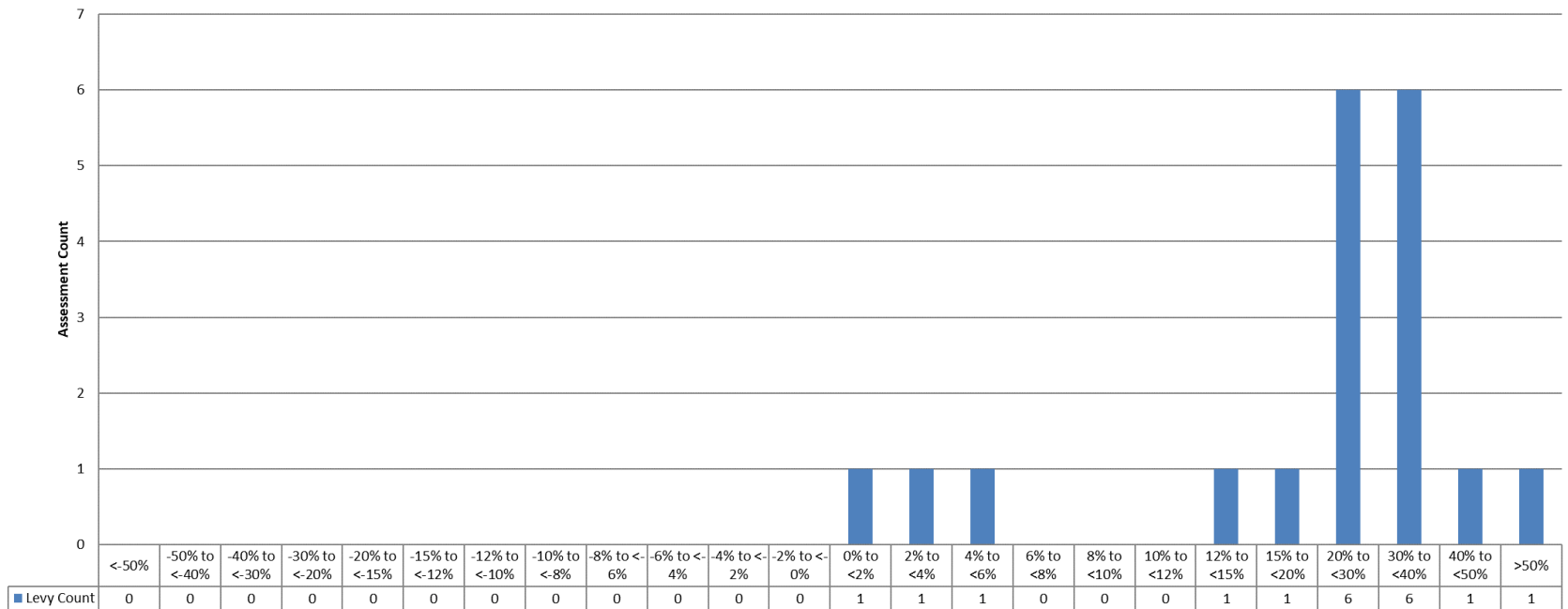
Community Facilities CV Rate Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Paekakariki

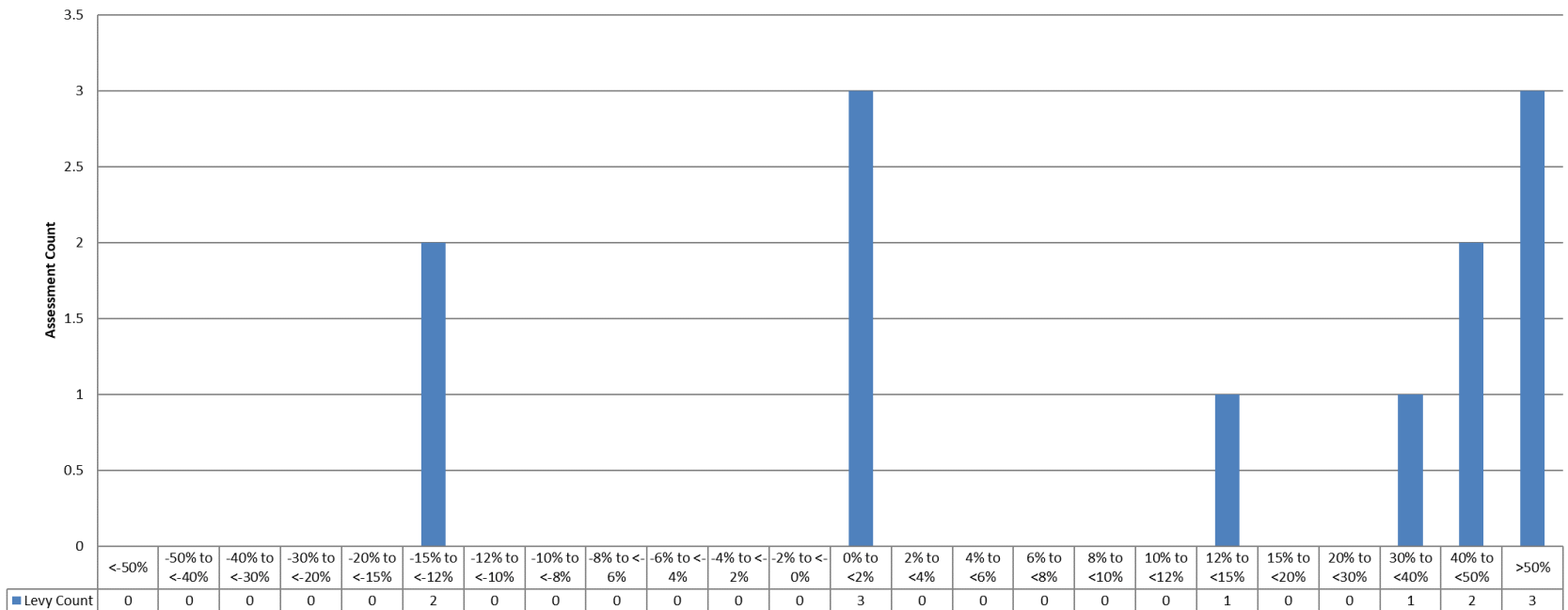
Community Facilities CV Rate Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 3: Community Facilities change to CV impact on rates - Paekakariki

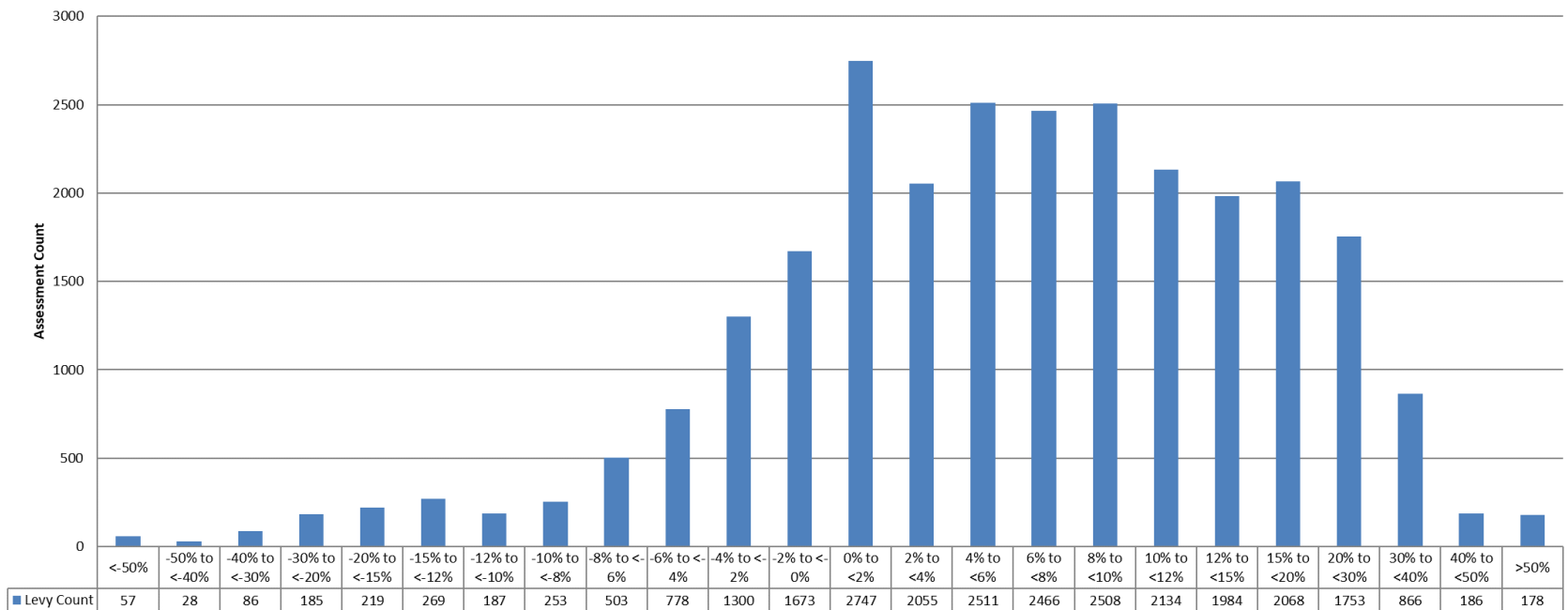
Community Facilities CV Rate Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – all areas

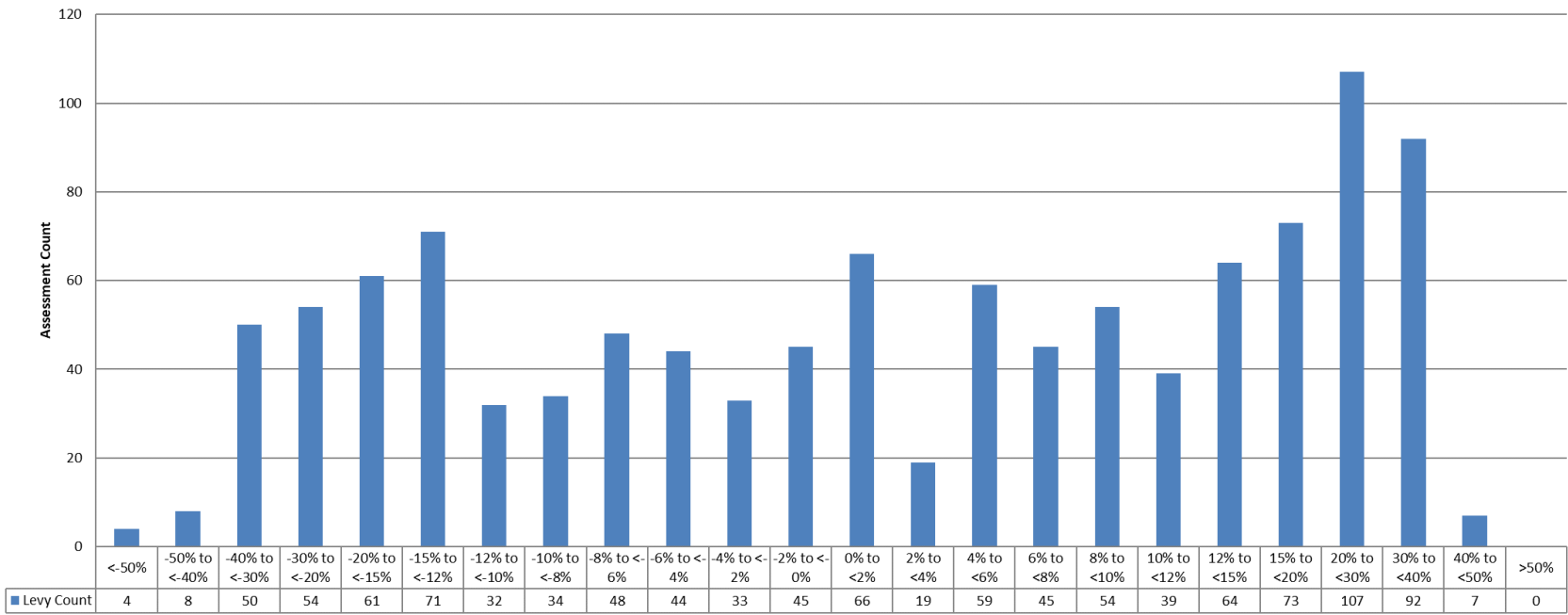
Combined Rating Changes Impact on Rates - All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – All areas

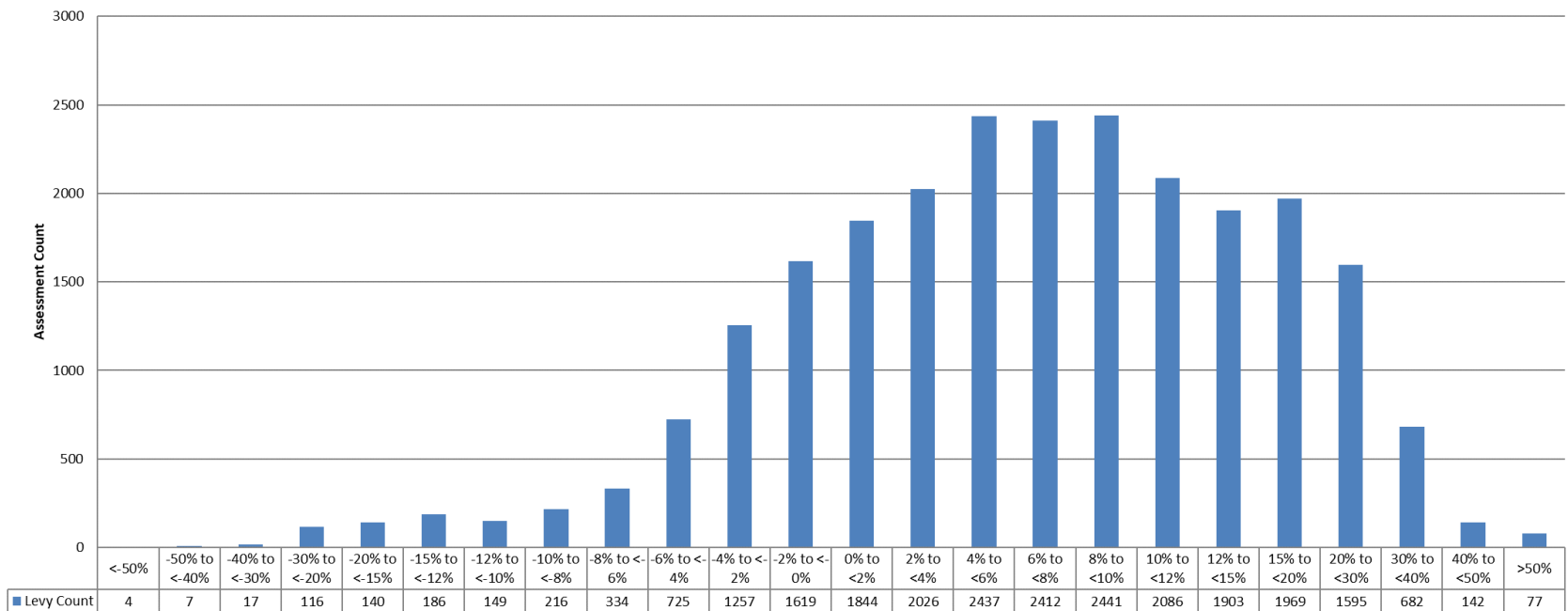
Combined Rating Changes Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – all areas

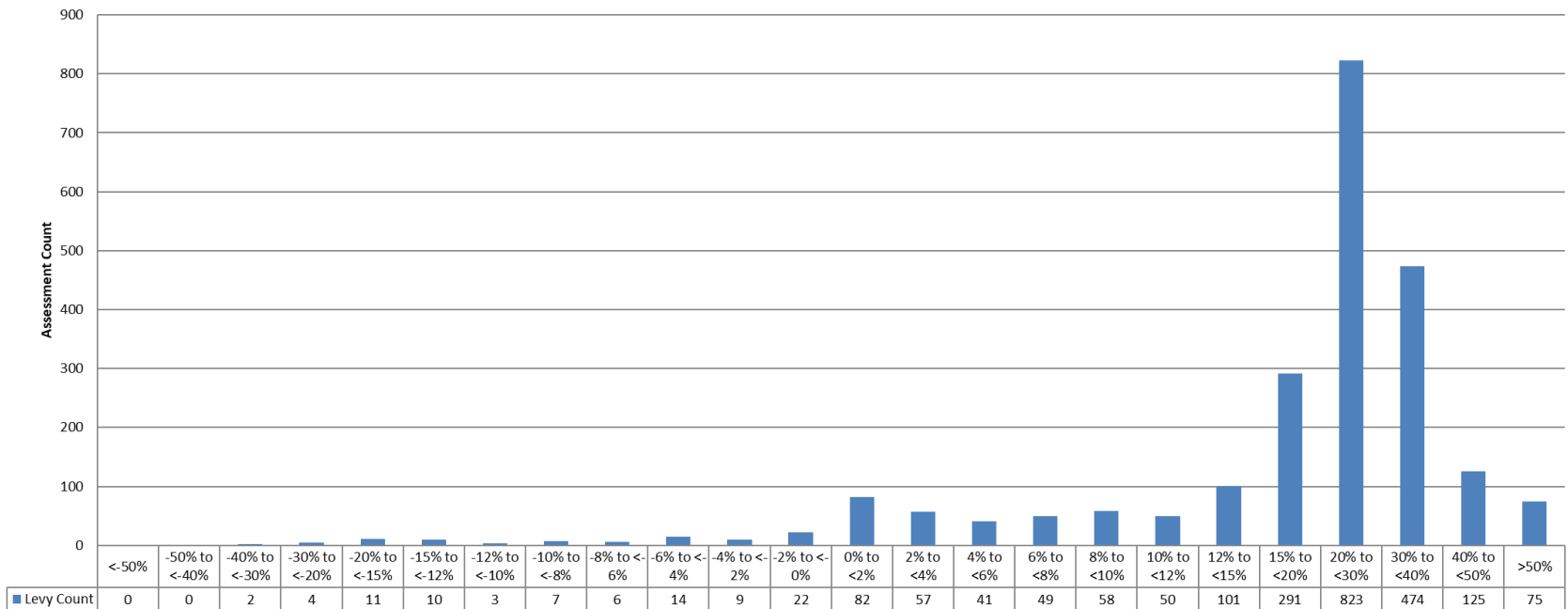
Combined Rating Changes Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – all areas

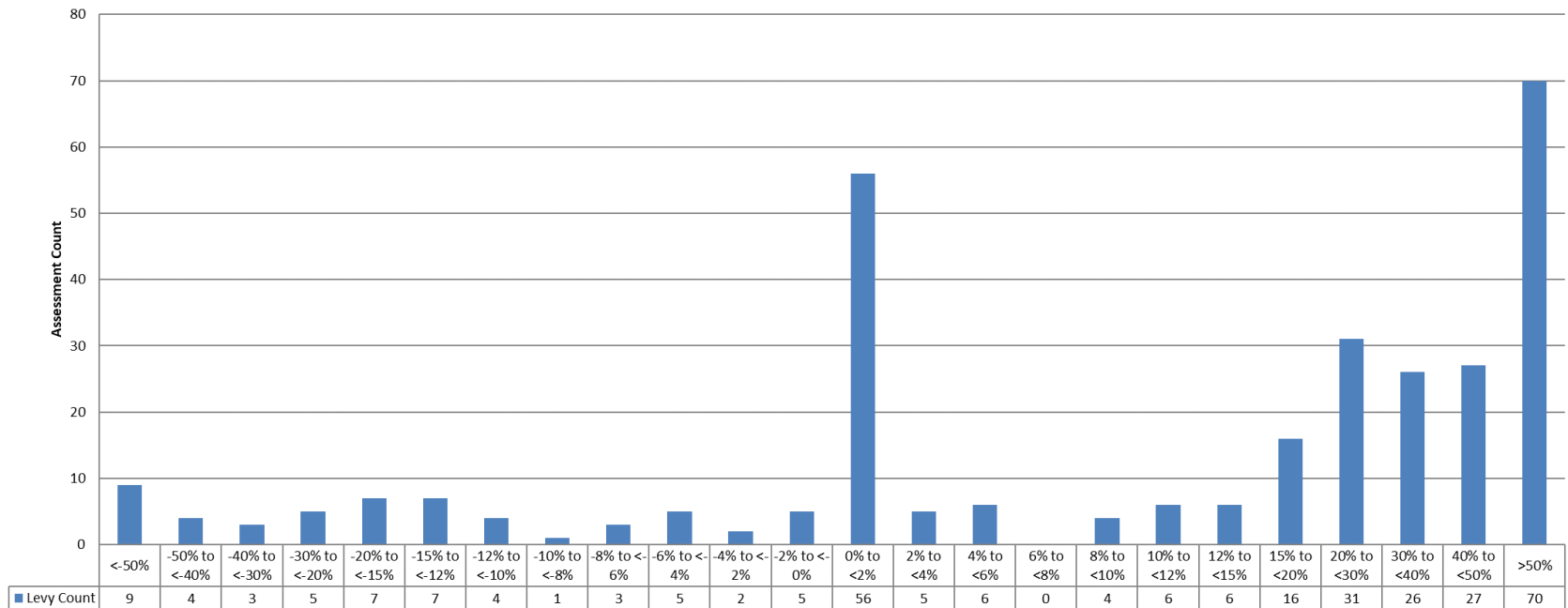
Combined Rating Changes Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – All areas

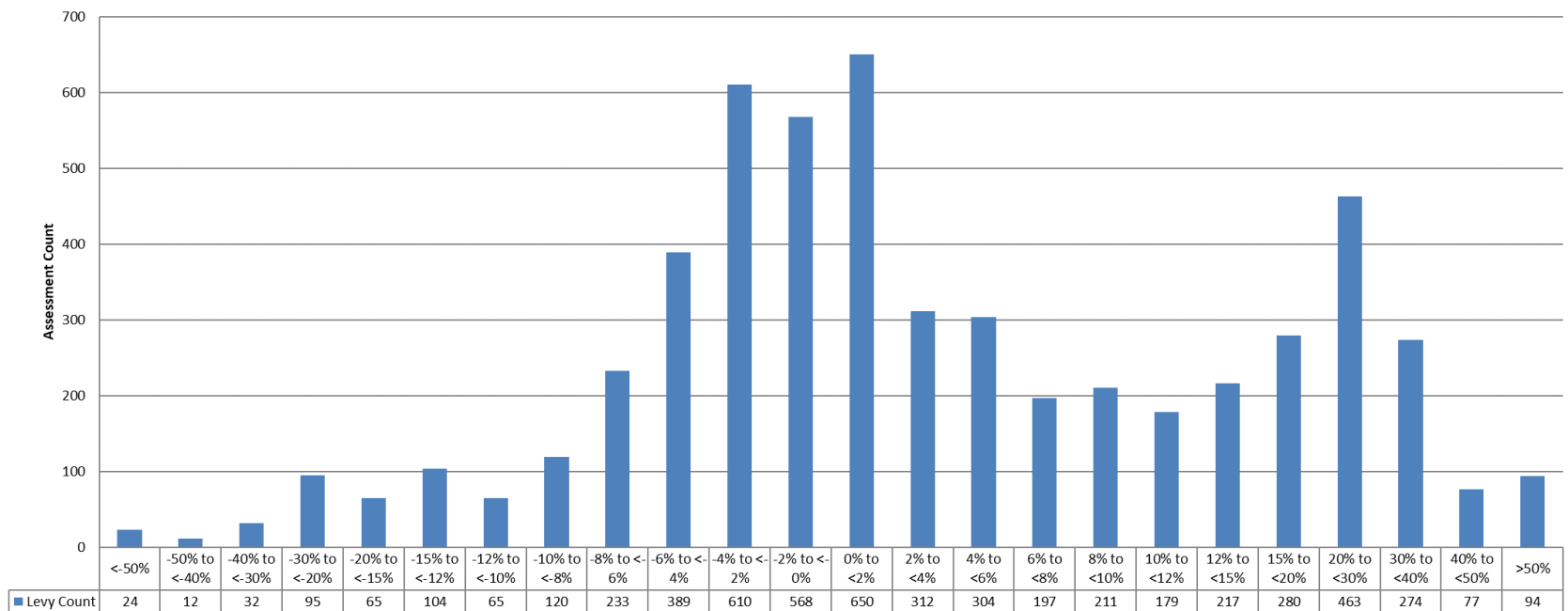
Combined Rating Changes Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Otaki

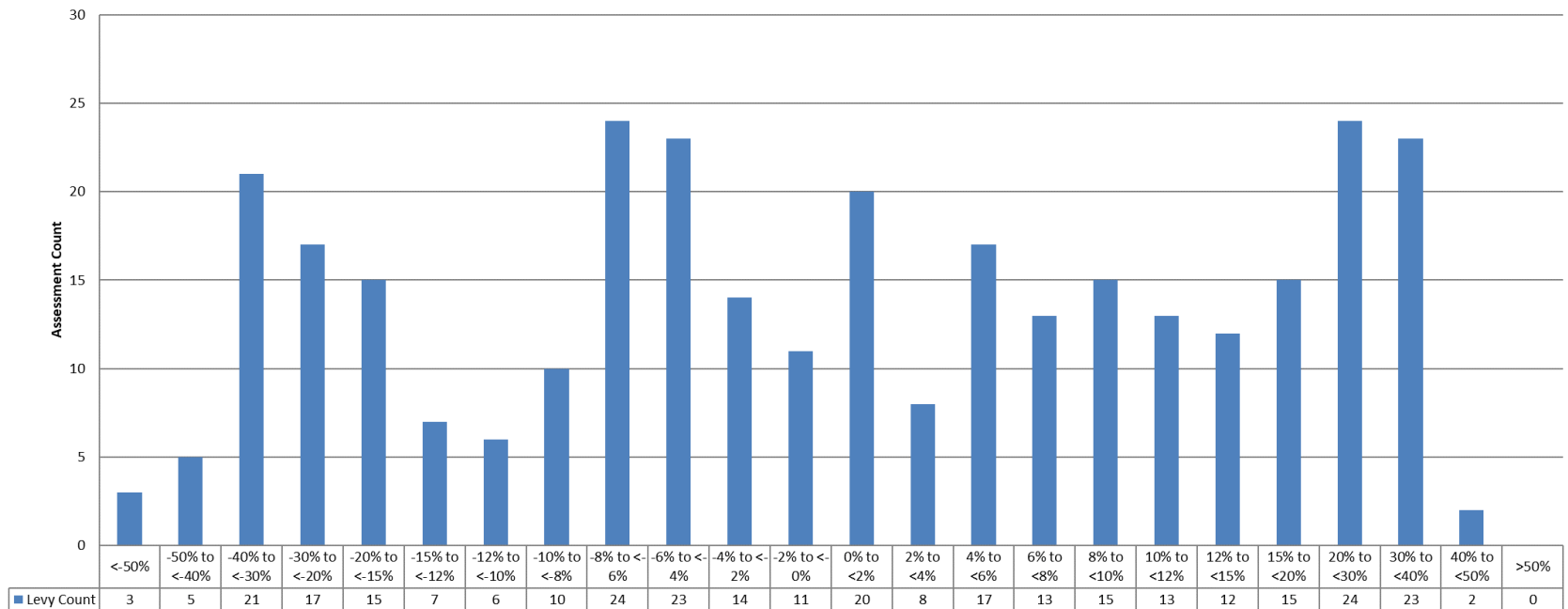
Combined Rating changes Impact on Rates - All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Otaki

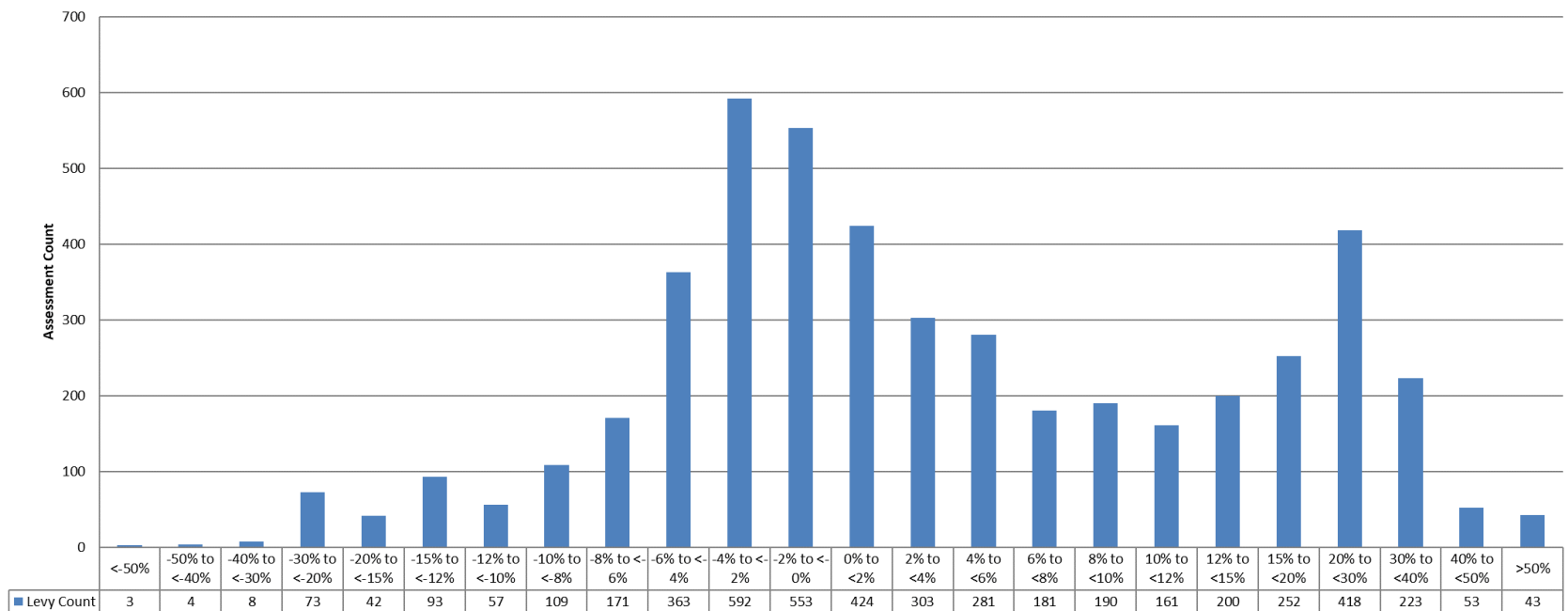
Combined Rating Changes Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Otaki

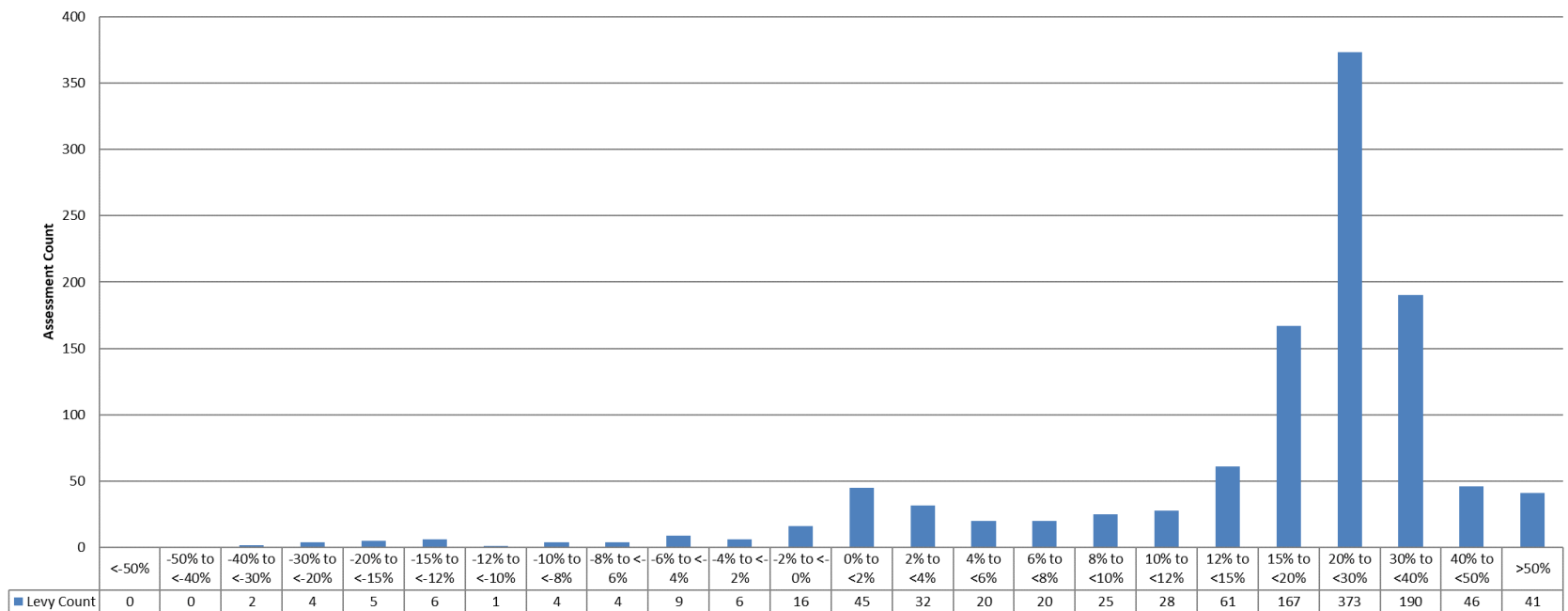
Combined Rating Changes Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Otaki

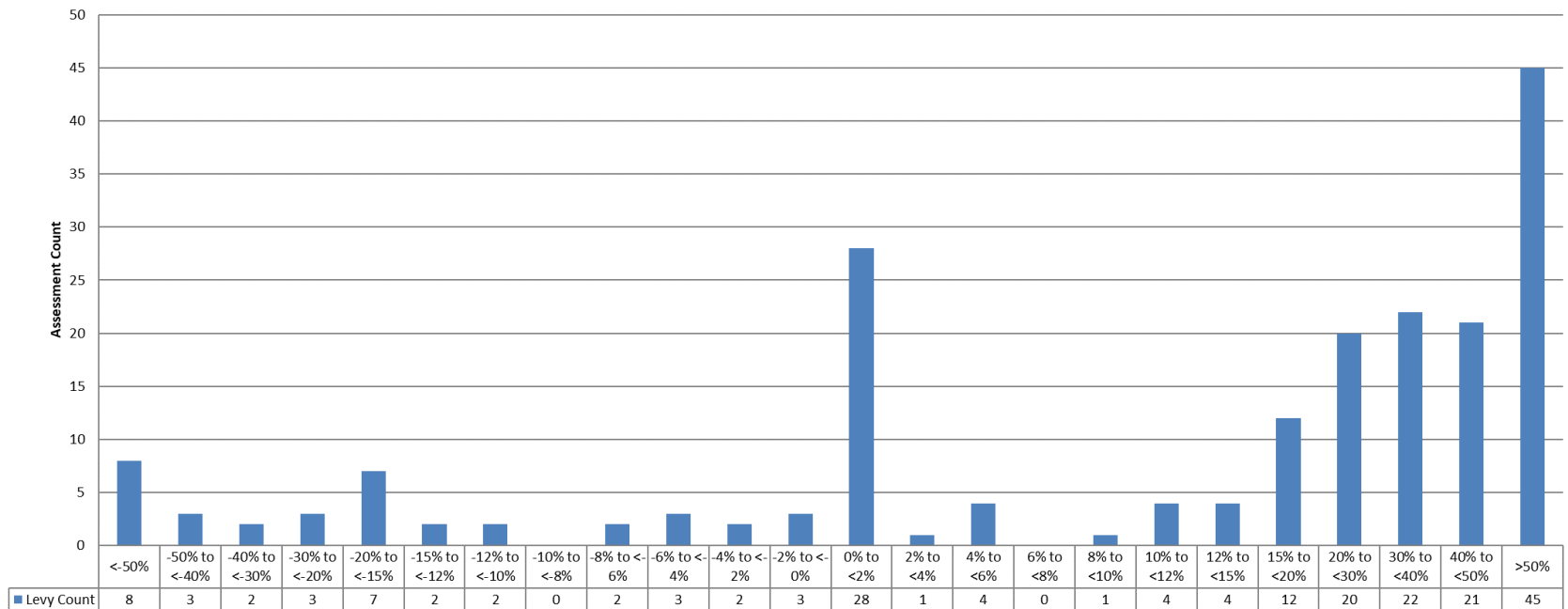
Combined Rating Changes Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Otaki

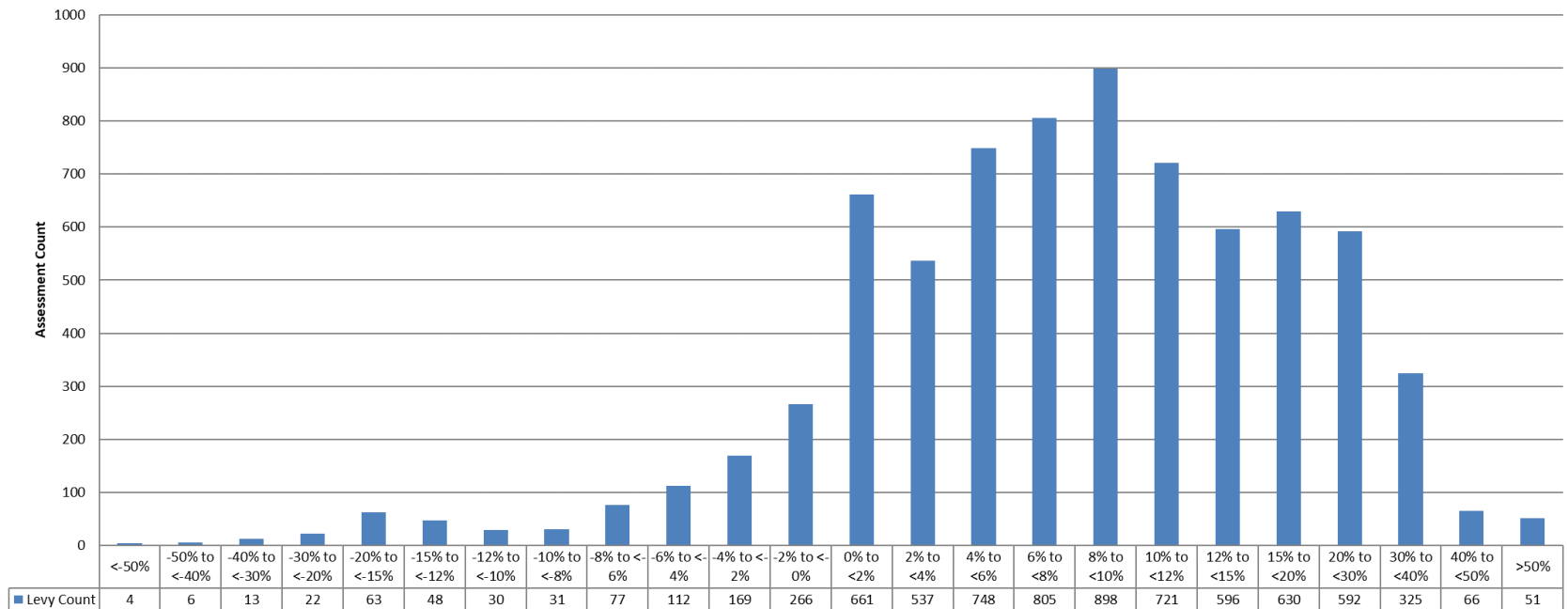
Combined Rating Changes Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Waikanae

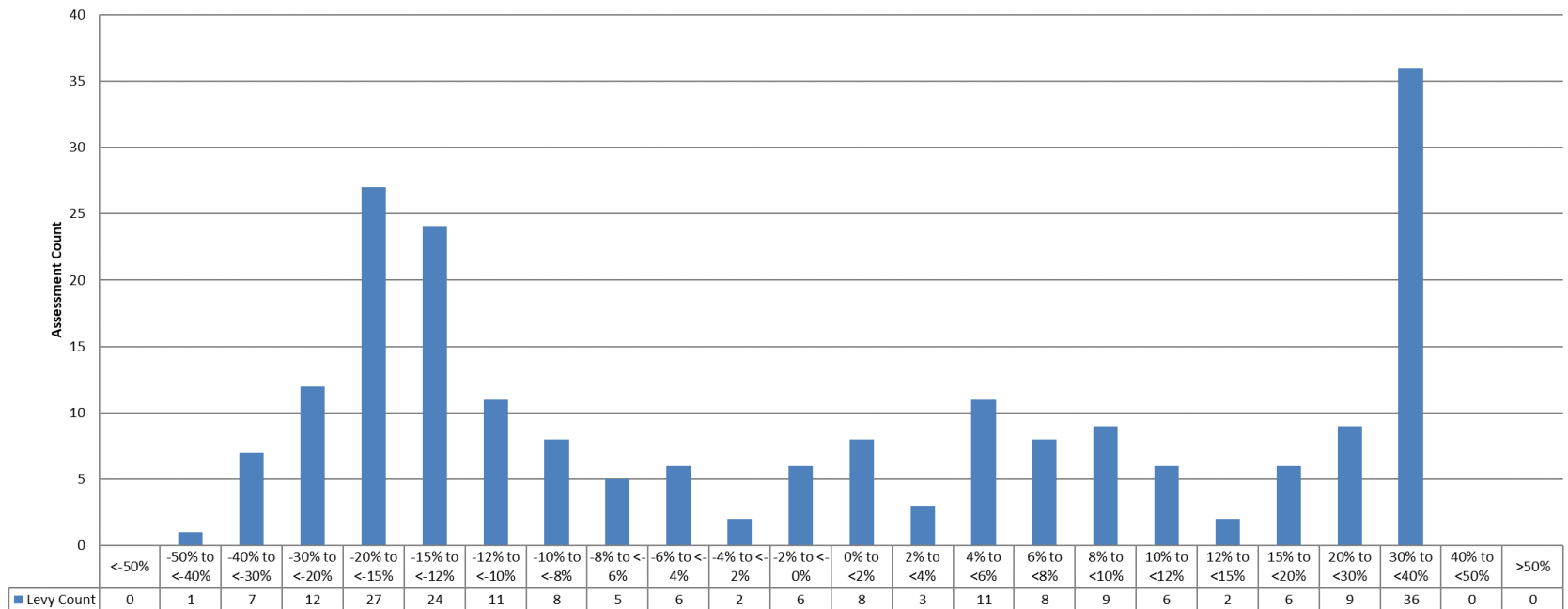
Combined Rating changes Impact on Rates - All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Waikanae

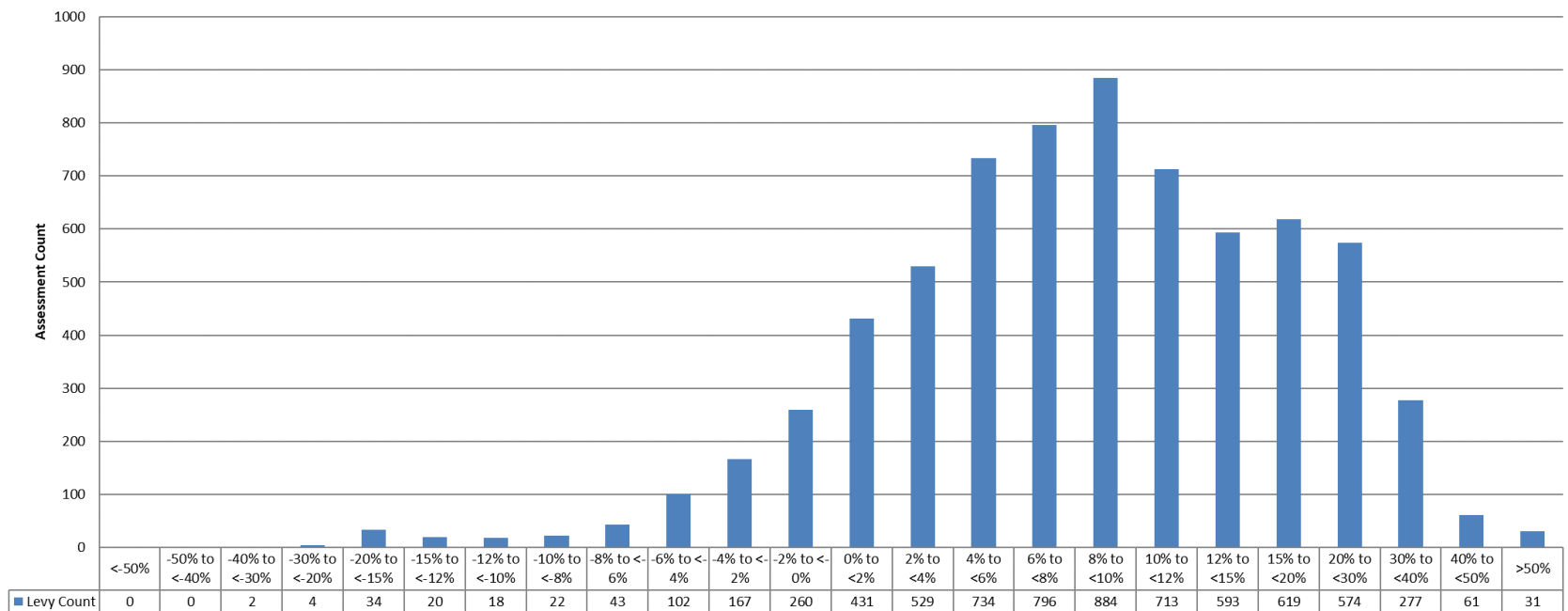
Combined Rating Changes Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Waikanae

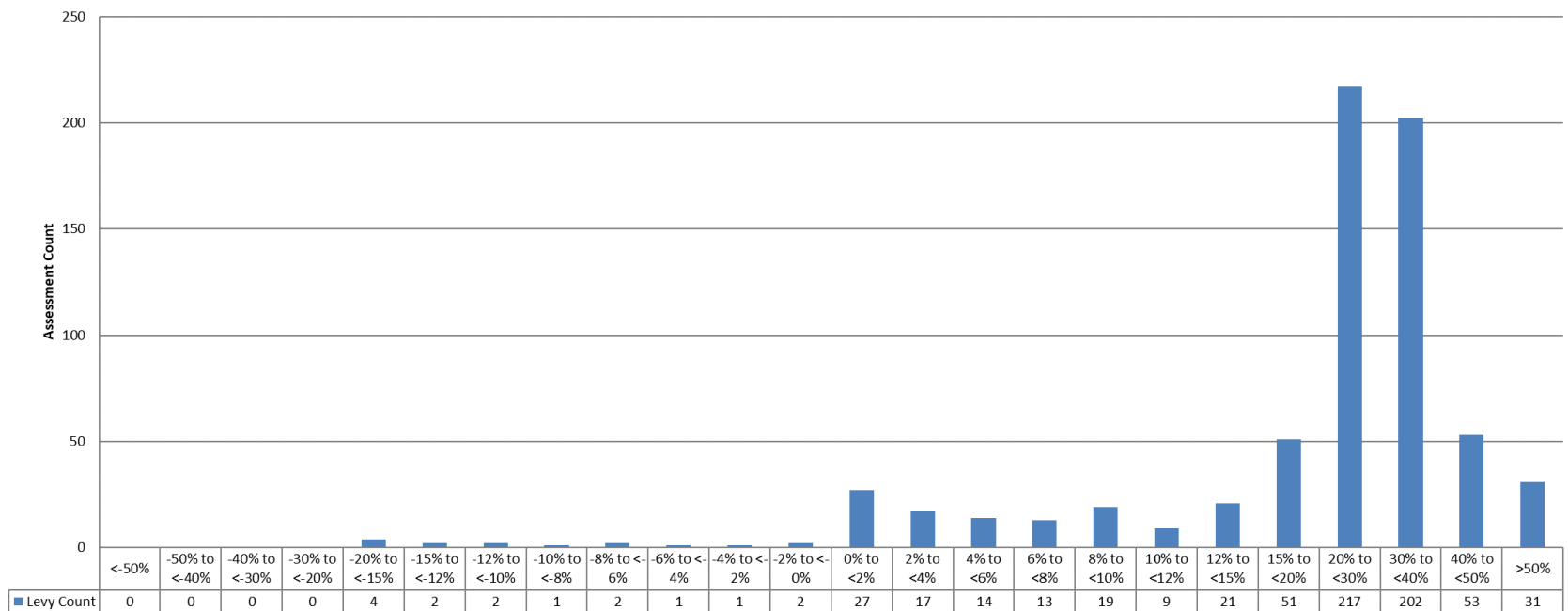
Combined Rating Changes Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Waikanae

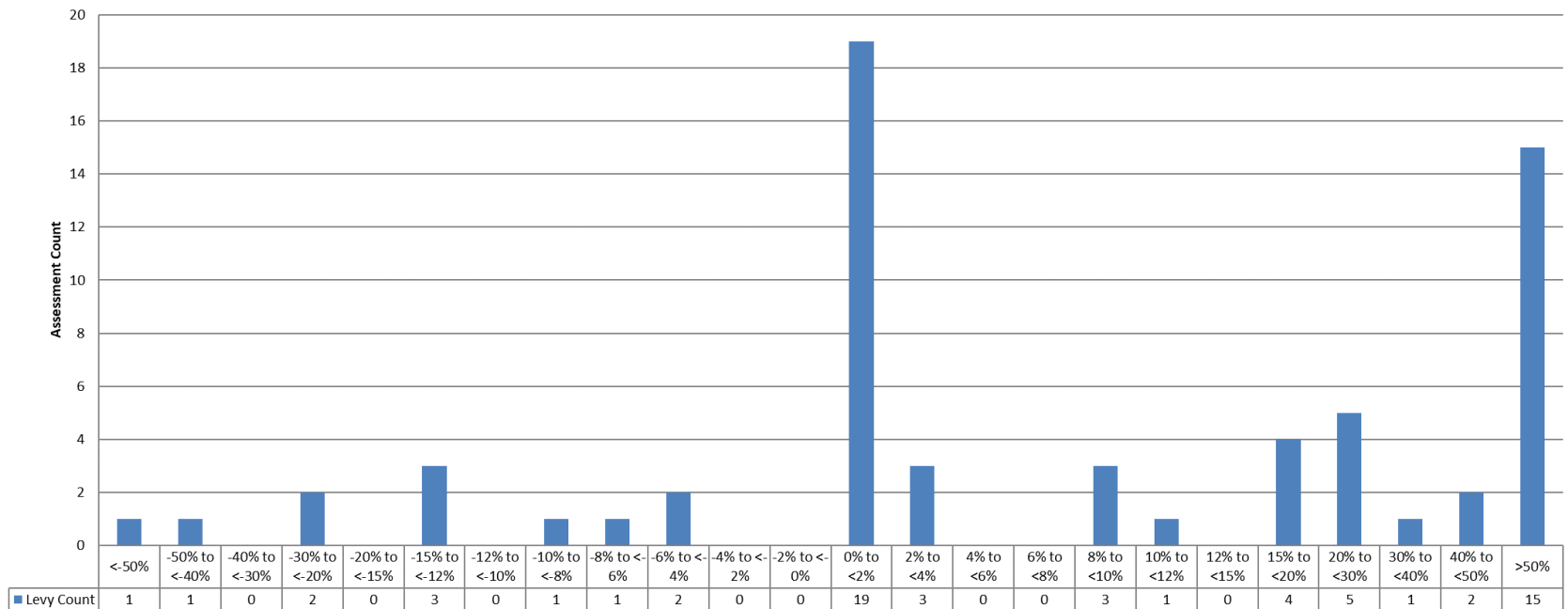
Combined Rating Changes Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Waikanae

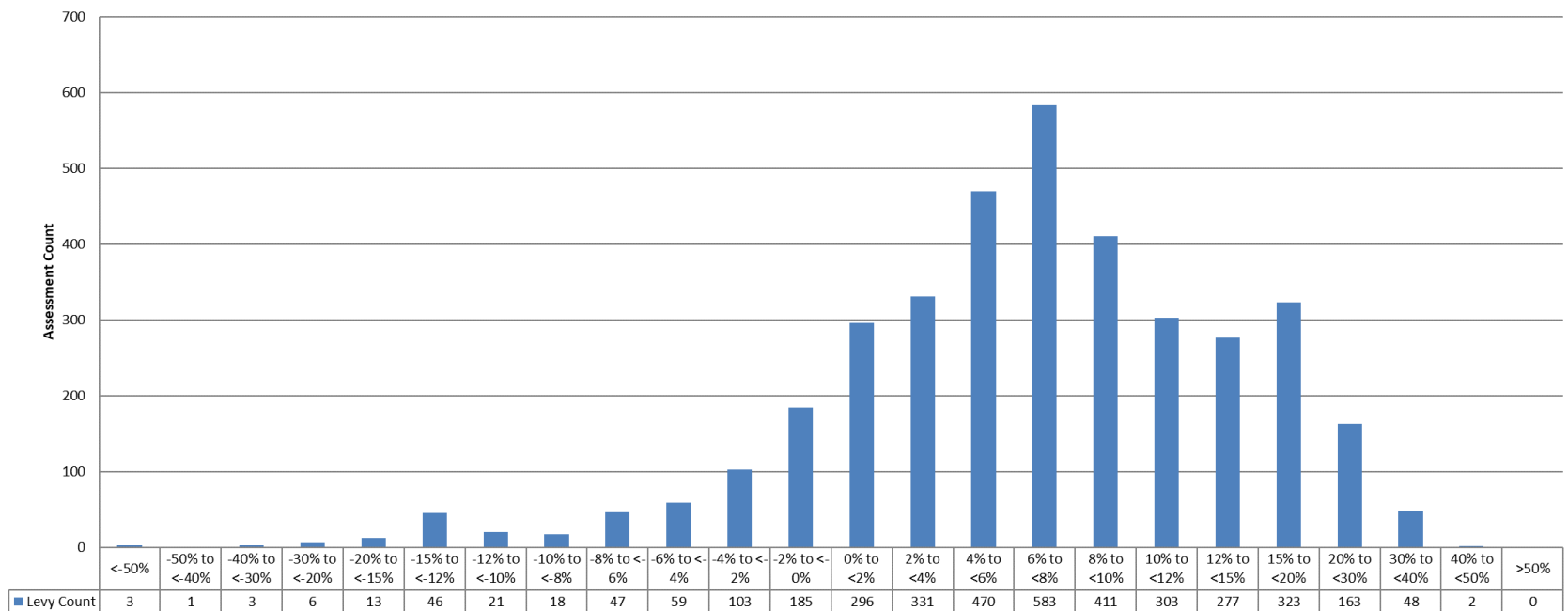
Combined Rating Changes Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Raumati

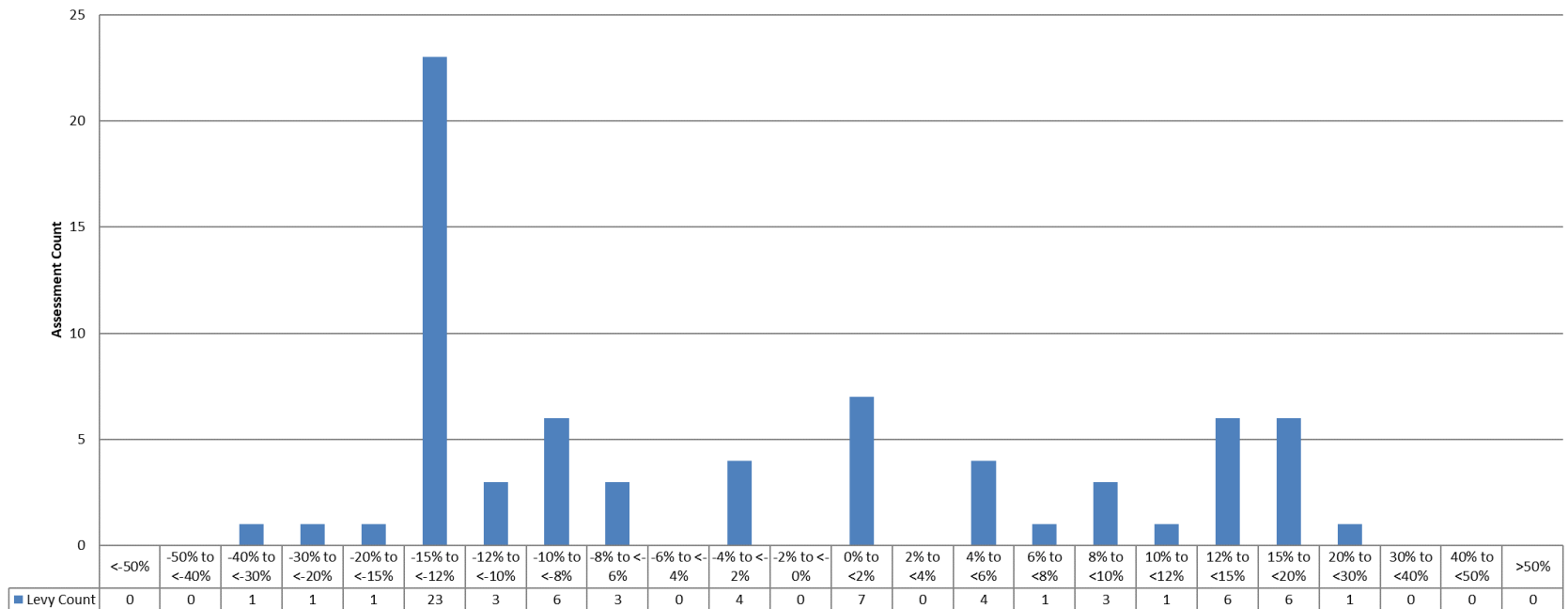
Combined Rating changes Impact on Rates - All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Raumati

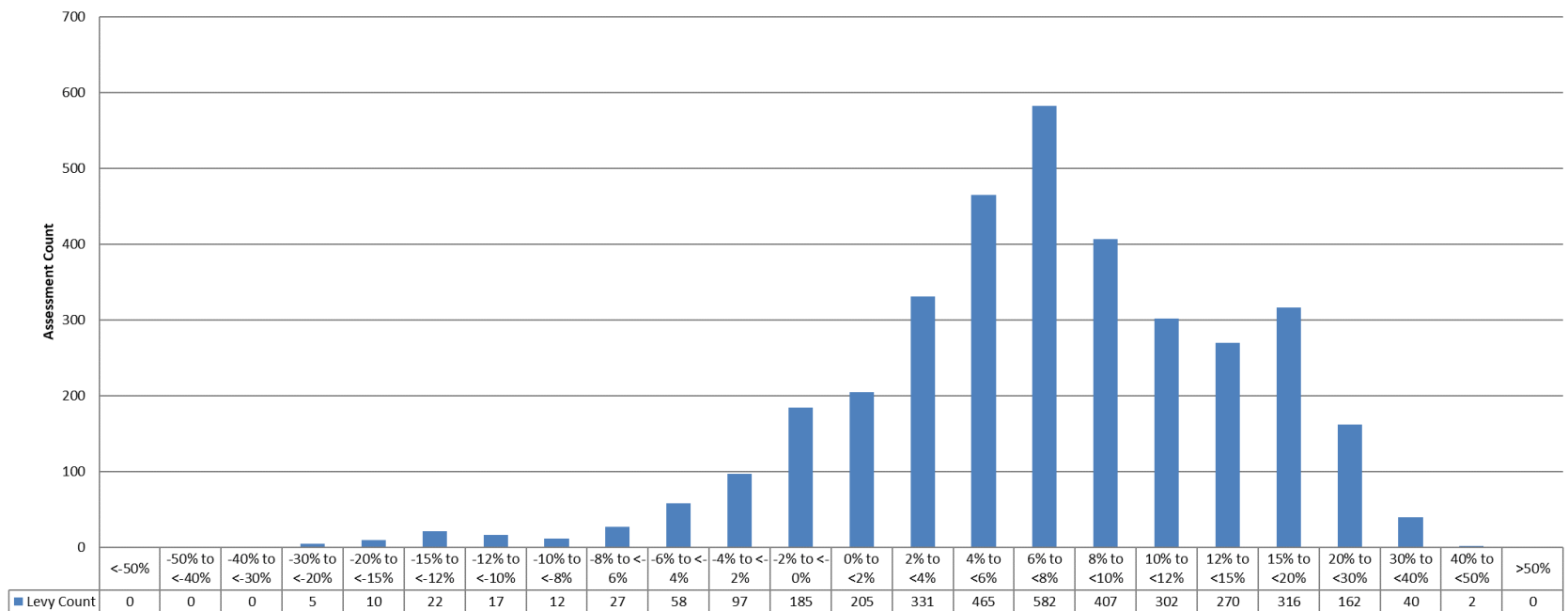
Combined Rating Changes Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Raumati

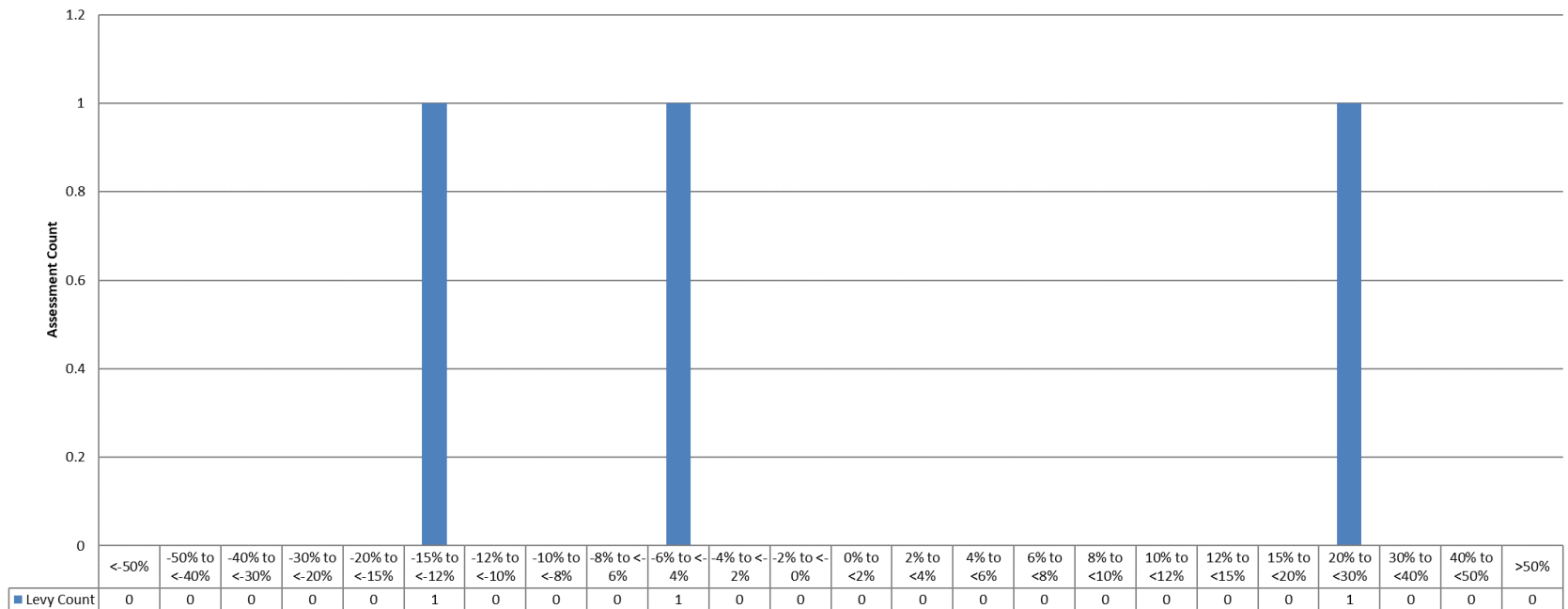
Combined Rating Changes Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Raumati

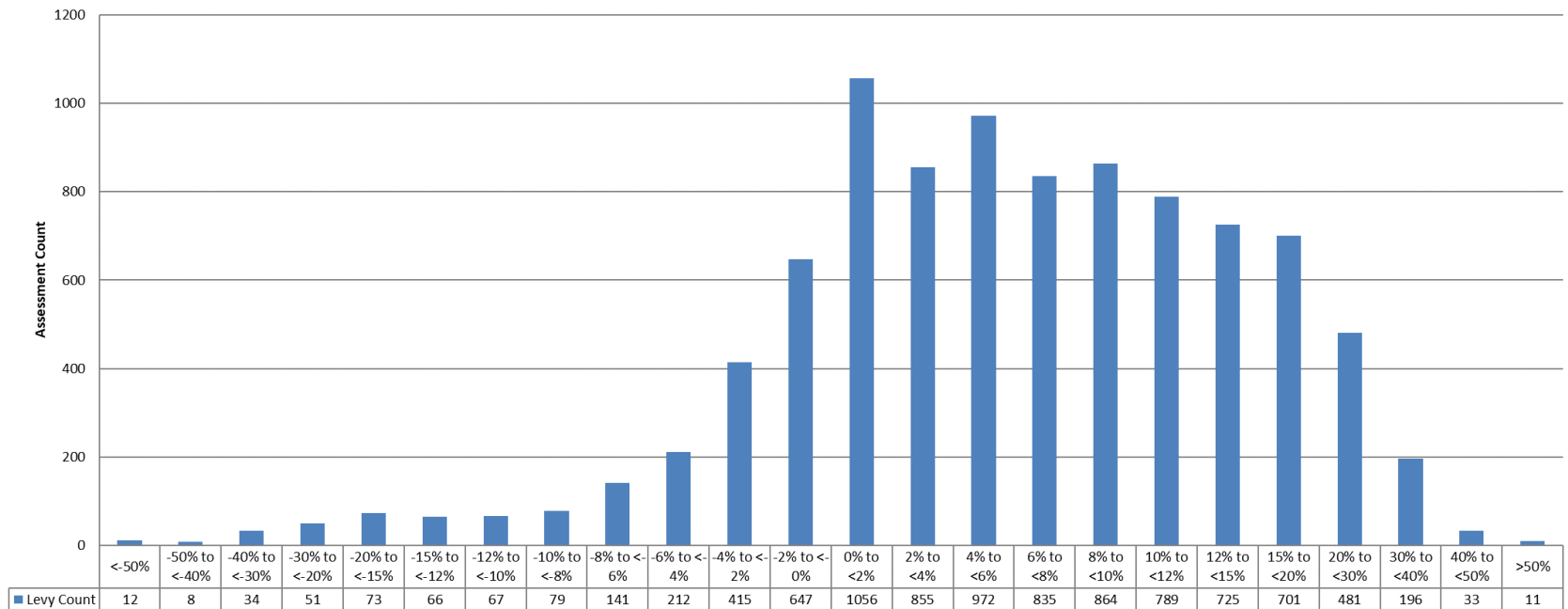
Combined Rating Changes Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Paraparaumu

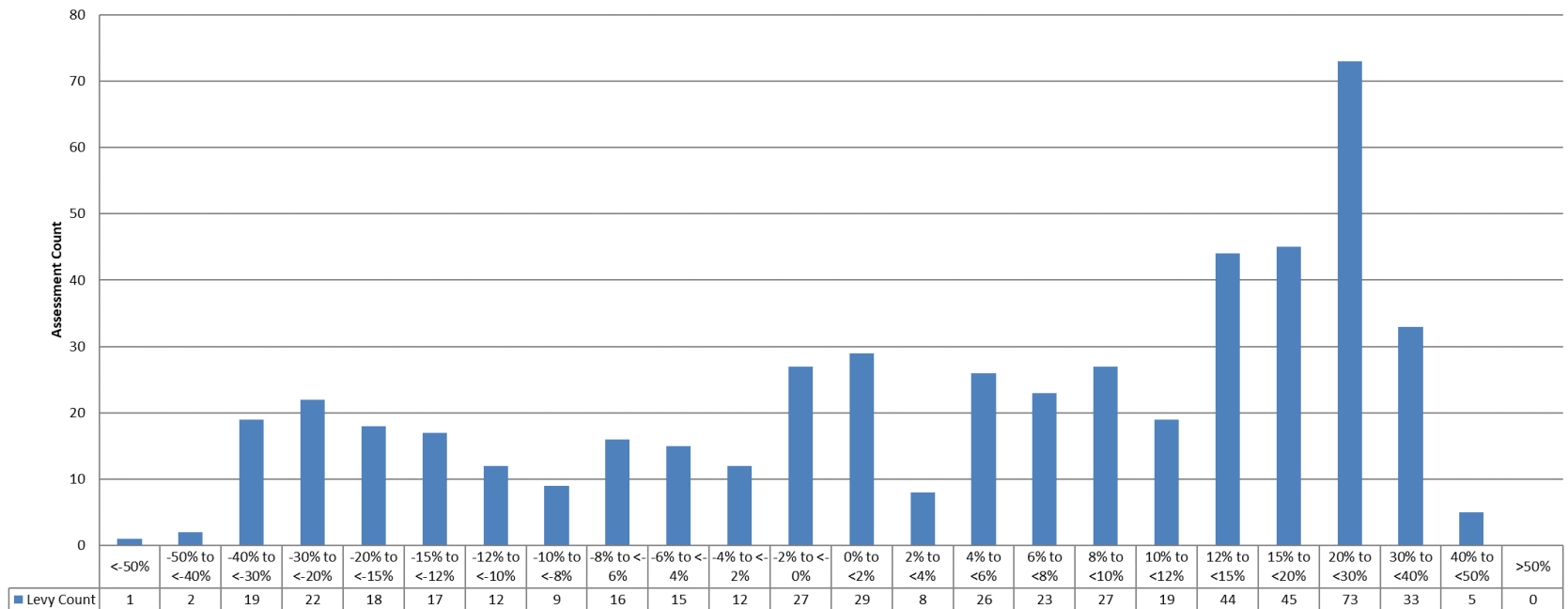
Combined Rating changes Impact on Rates - All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Paraparaumu

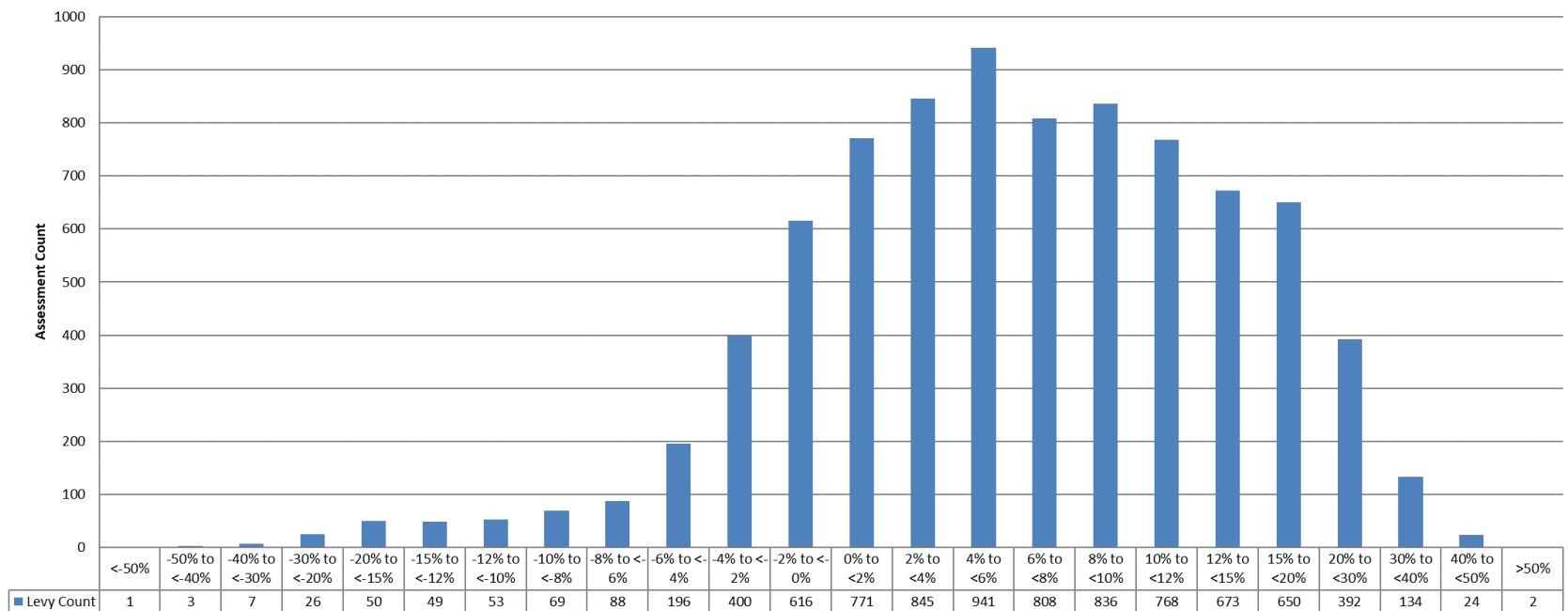
Combined Rating Changes Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Paraparaumu

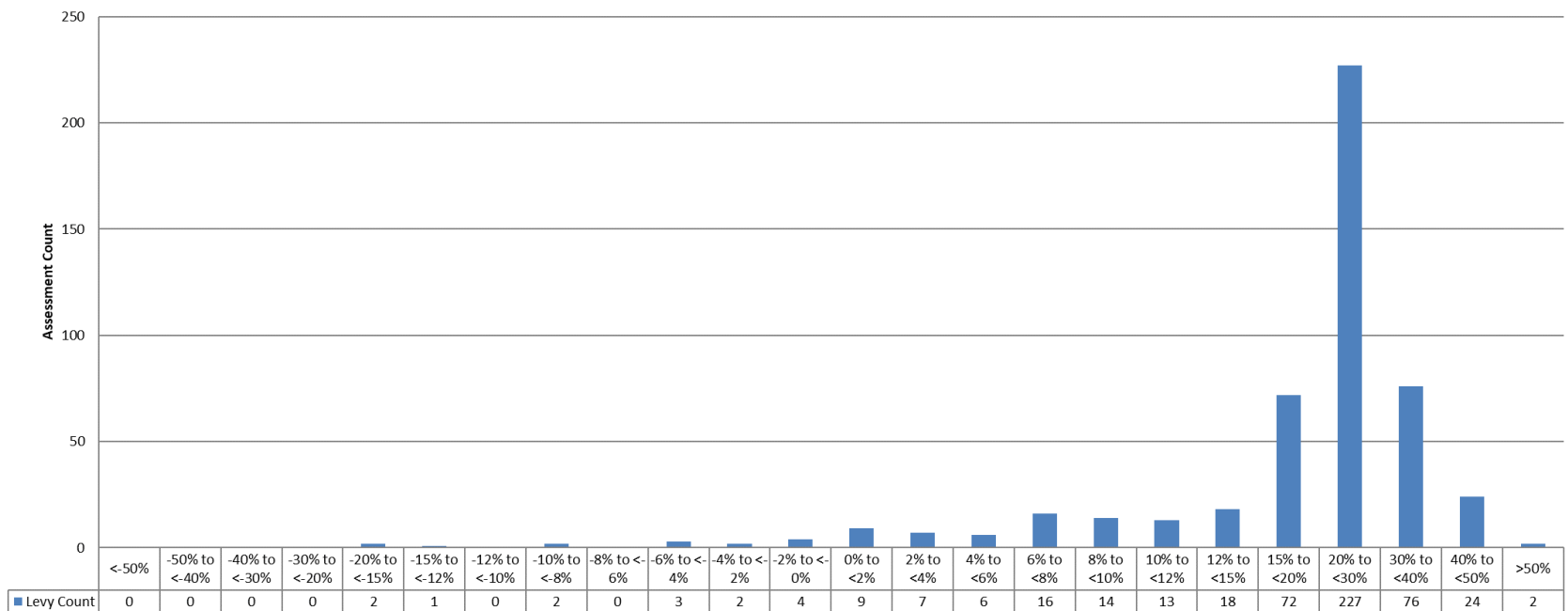
Combined Rating Changes Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Paraparaumu

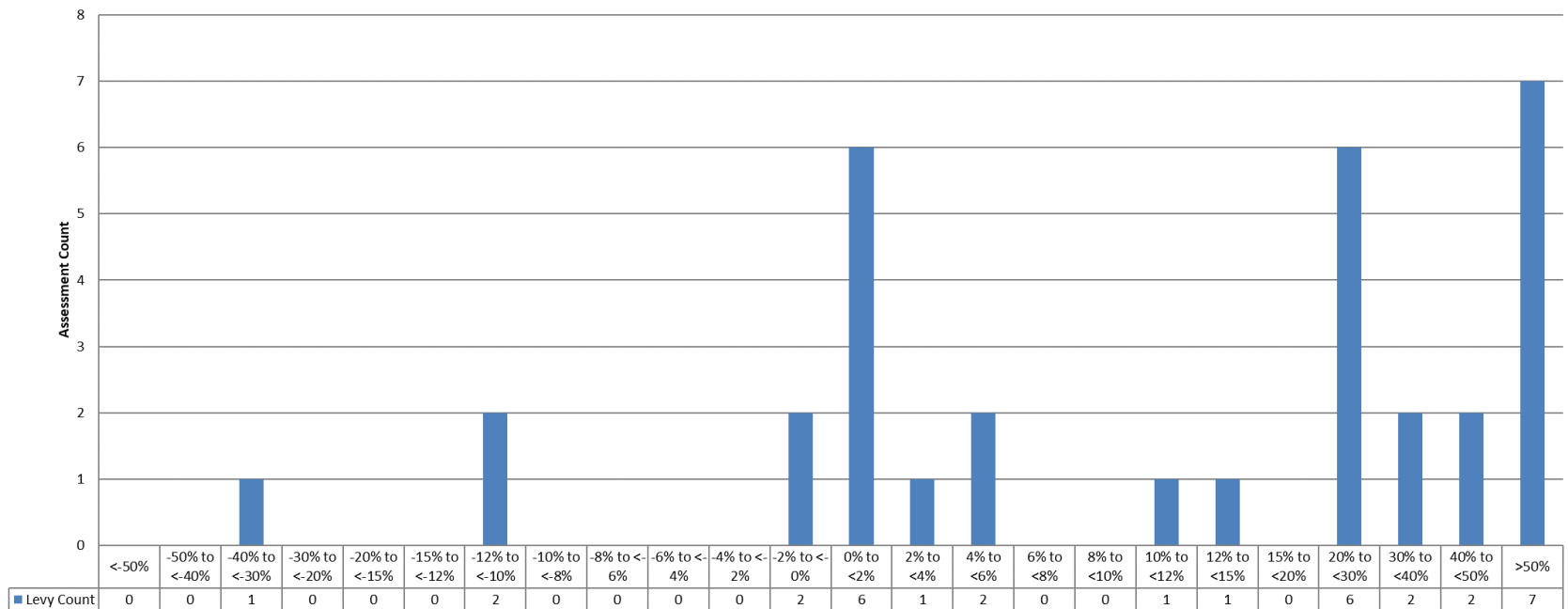
Combined Rating Changes Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Paraparaumu

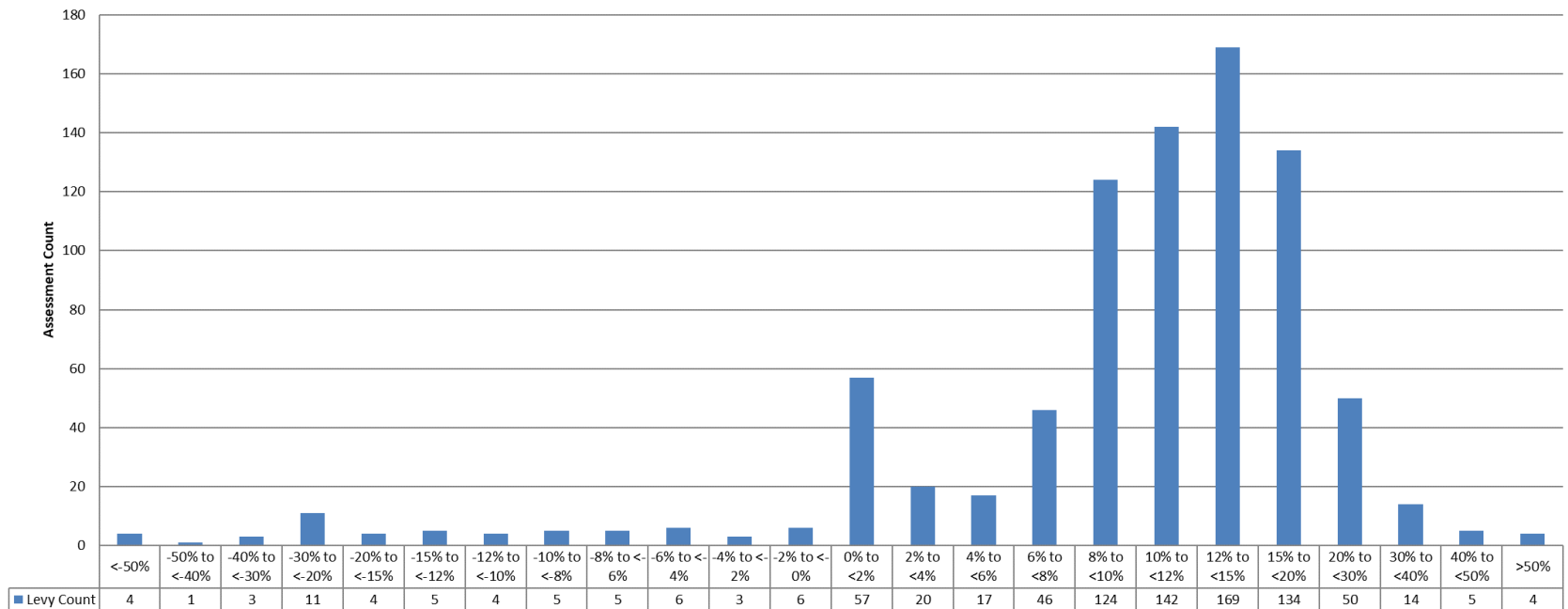
Combined Rating Changes Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Paekakariki

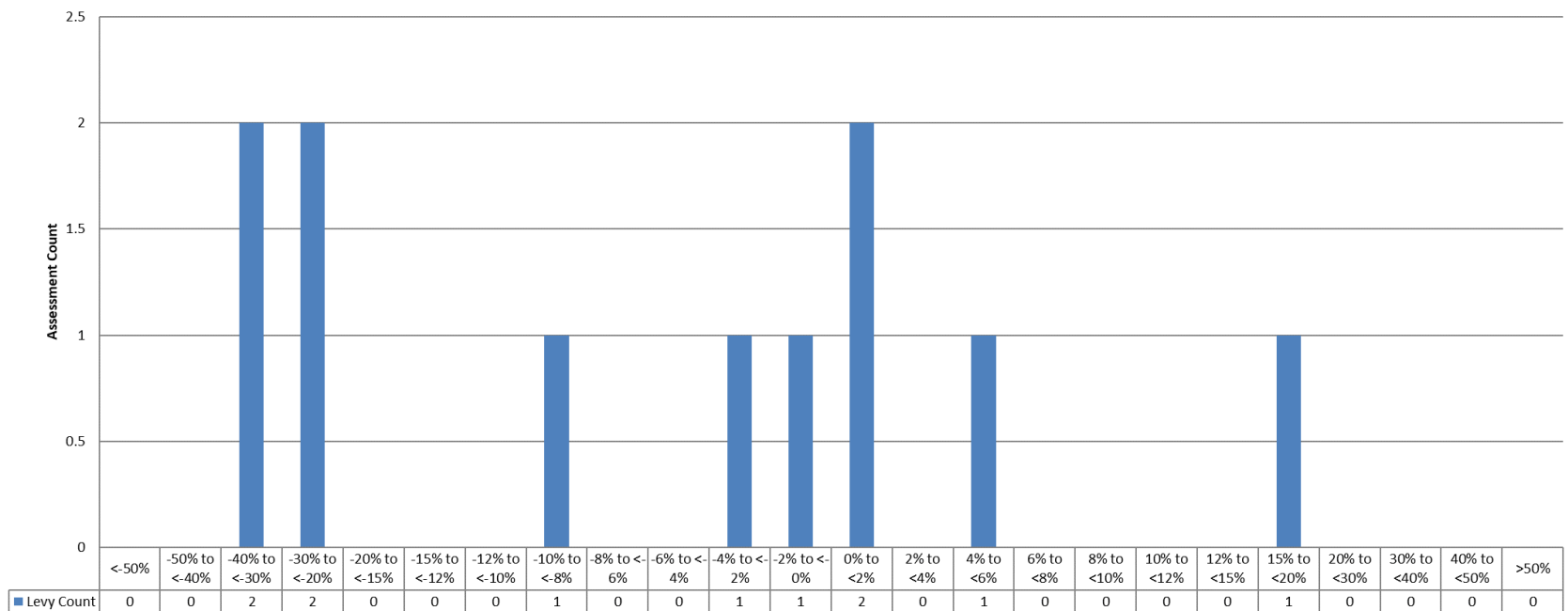
Combined Rating changes Impact on Rates - All Properties



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Paekakariki

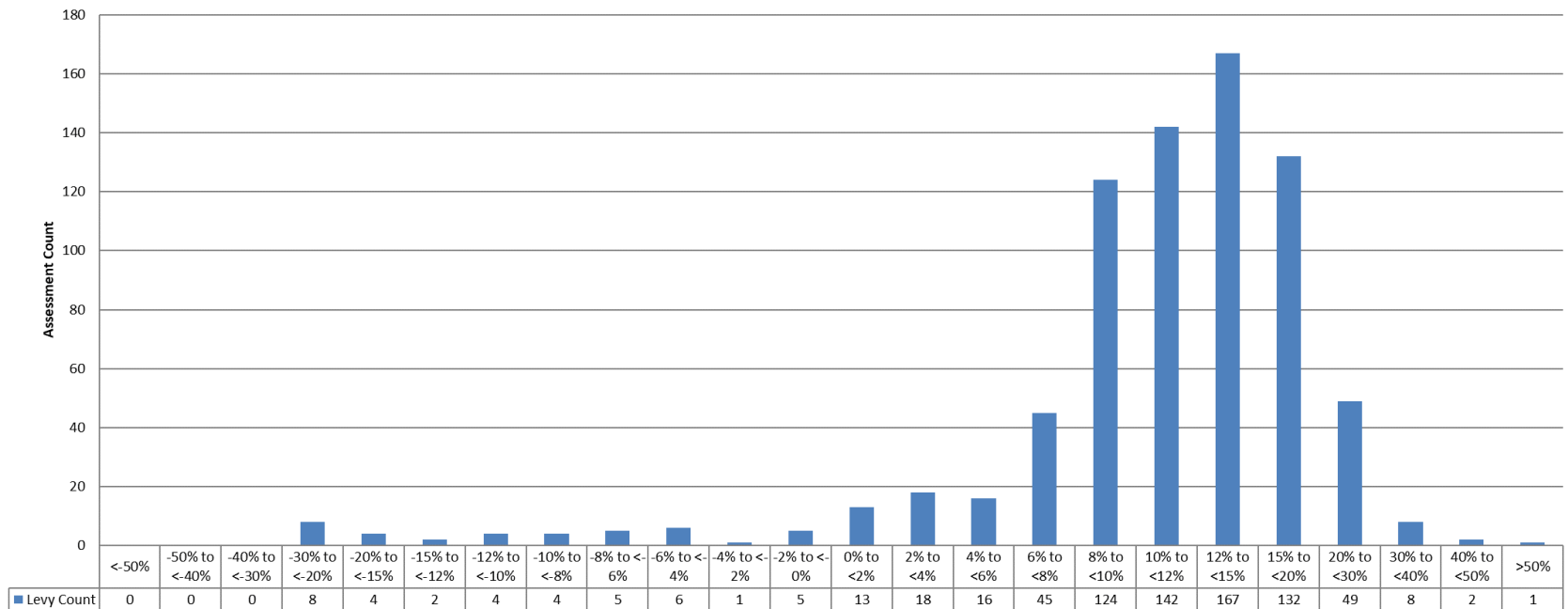
Combined Rating Changes Impact on Rates - Commercial



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Paekakariki

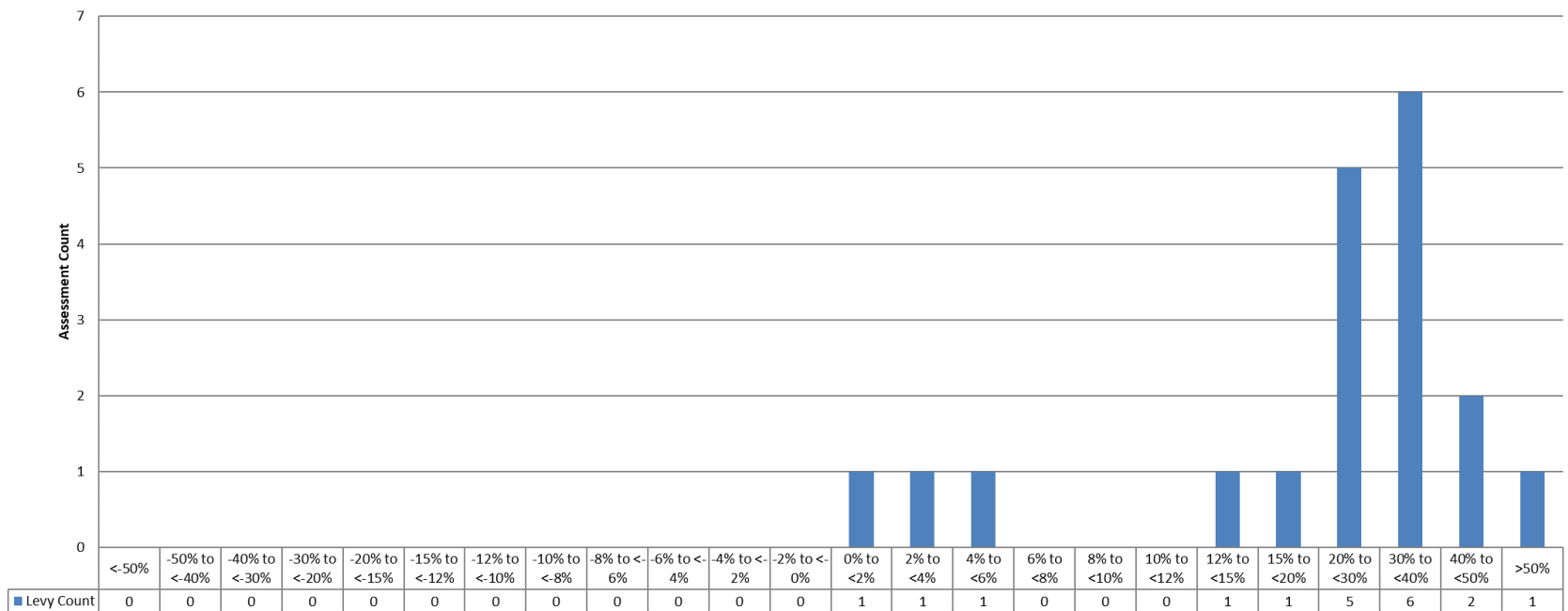
Combined Rating Changes Impact on Rates - Residential



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Paekakariki

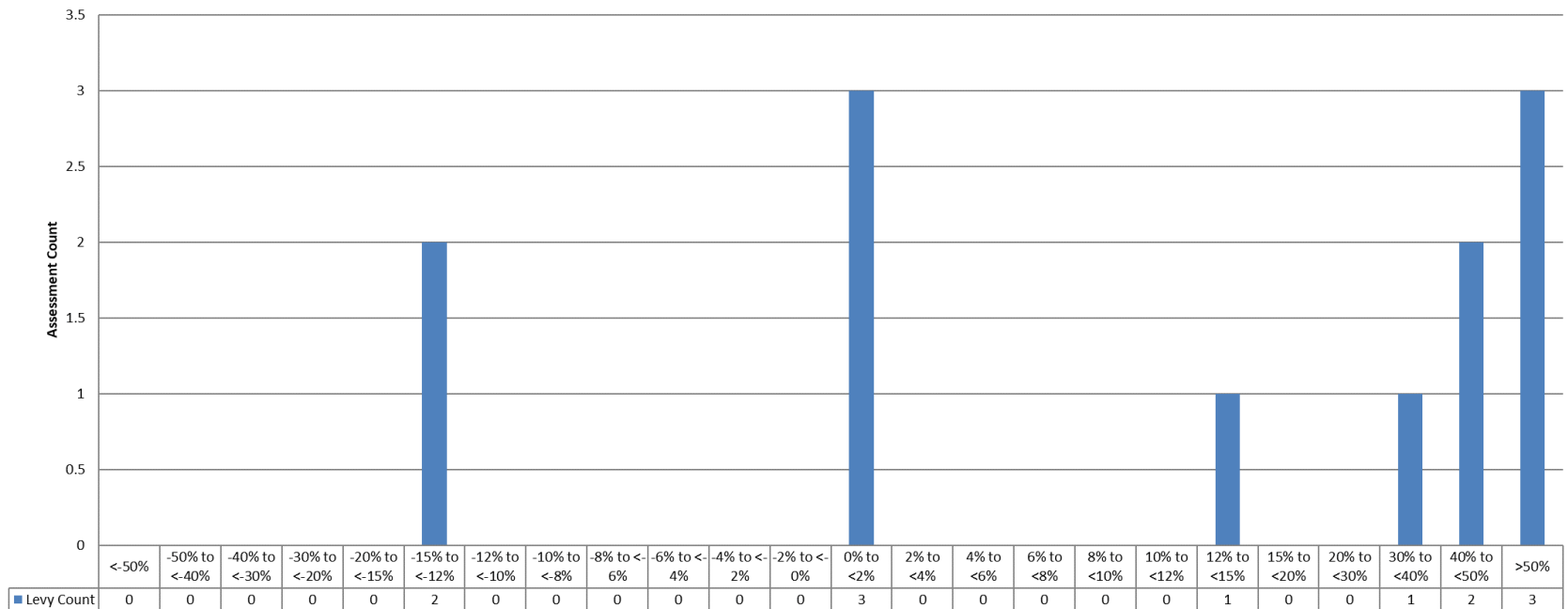
Combined Rating Changes Impact on Rates - Lifestyle



Based on 2024/25 proposed rates increase, excluding water rates

Option 4: Impact of both new climate action targeted rate and change community facilities to CV – Paekakariki

Combined Rating Changes Impact on Rates - Rural



Based on 2024/25 proposed rates increase, excluding water rates

Options 1 and 2 by sector

2023/24 Rates Requirement based on New Values	2024/25 Proposed Rates Requirement 12%, Growth 0.8%		Status quo rating system		
	Total Rates	Total Rates			
New Valuations (\$M)	New Valuations (\$M)	Rates Share (2023/24 Rates, 1/8/23 Valuations)	Rates Share (2024/25 Rates, 1/8/23 Valuations)	Change	
					\$M
Commercial	12.28	13.39	10.69%	10.69%	1.10
Lifestyle	9.11	10.07	7.93%	8.04%	0.96
Other	0.97	1.01	0.84%	0.81%	0.05
Residential	91.31	99.33	79.44%	79.34%	8.01
Rural	1.27	1.40	1.11%	1.12%	0.13

Rates Include GWRC Rates (based on no change to 23/24) Incl GST
Excluding Water

2023/24 Rates Requirement based on New Values	2024/25 Proposed Rates Requirement 12%, Growth 0.8%		New Climate Change Rate	Climate Change Rate Impact	
	Total Rates	Total Rates			
New Valuations (\$M)	New Valuations (\$M)	Rates Share (2023/24 Rates, 1/8/23 Valuations)	Rates Share (2024/25 Rates, 1/8/23 Valuations)	Change	
					\$M
Commercial	12.28	13.39	10.69%	10.70%	1.11
Lifestyle	9.11	10.09	7.93%	8.06%	0.98
Other	0.97	1.01	0.84%	0.81%	0.05
Residential	91.31	99.29	79.44%	79.30%	7.98
Rural	1.27	1.41	1.11%	1.13%	0.14

Rates Include GWRC Rates (based on no change to 23/24) Incl GST
Excluding Water

Note: there will be minor differences between options due to rounding

Options 3 and 4 by sector

2023/24 Rates Requirement based on New Values	2024/25 Proposed Rates Requirement		Change		Community Facilities Change to CV Impact
	12%, Growth	0.8%	Community Facilities to CV	Community Facilities	
Total Rates New Valuations	Total Rates New Valuations	Rates Share	Rates Share	Change	
(\$M)	(\$M)	(2023/24 Rates, 1/8/23 Valuations)	(2024/25 Rates, 1/8/23 Valuations)	(\$M)	
Commercial	12.28	13.35	10.69%	10.65%	1.07
Lifestyle	9.11	11.30	7.93%	9.01%	2.19
Other	0.97	1.04	0.84%	0.83%	0.07
Residential	91.31	97.97	79.44%	78.16%	6.66
Rural	1.27	1.69	1.11%	1.35%	0.42

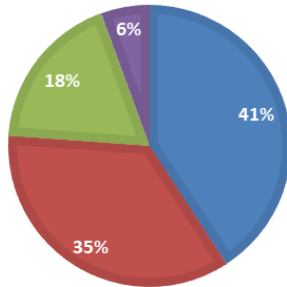
Rates Include GWRC Rates (based on no change to 23/24) Incl GST
Excluding Water

2023/24 Rates Requirement based on New Values	2024/25 Proposed Rates Requirement		New Climate Action rate and community facilities change to CV		Change
	12%, Growth	0.8%	(2023/24 Rates, 1/8/23 Valuations)	(2024/25 Rates, 1/8/23 Valuations - Combined Rating Changes)	
Total Rates New Valuations	Total Rates New Valuations	Rates Share	Rates Share	Change	
(\$M)	(\$M)	(2023/24 Rates, 1/8/23 Valuations)	(2024/25 Rates, 1/8/23 Valuations - Combined Rating Changes)	(\$M)	
Commercial	12.28	13.36	10.69%	10.66%	1.08
Lifestyle	9.11	11.33	7.93%	9.04%	2.22
Other	0.97	1.04	0.84%	0.83%	0.07
Residential	91.31	97.92	79.44%	78.12%	6.61
Rural	1.27	1.69	1.11%	1.35%	0.42

Rates Include GWRC Rates (based on no change to 23/24) Incl GST
Excluding Water

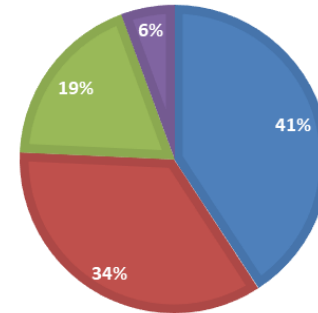
Rating system mix - Comparing Options

**CURRENT RATING SYSTEM 2024/25
PROPOSED RATES AT 12% INCREASE**



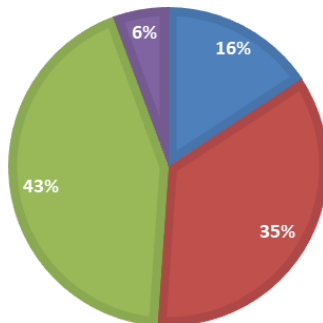
■ Fixed charges ■ Land valued-based rates ■ Capital Value-based rates ■ Variable

**NEW CLIMATE CHANGE TARGETED RATE
2024/25 PROPOSED RATES AT 12% INCREASE**



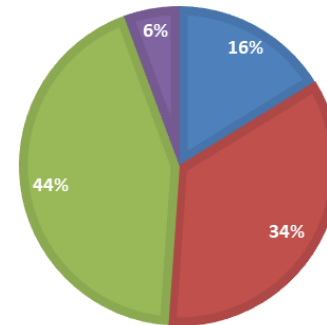
■ Fixed charges ■ Land valued-based rates ■ Capital Value-based rates ■ Variable

**COMMUNITY FACILITIES TARGETED RATE
BASED ON CV**



■ Fixed charges ■ Land valued-based rates ■ Capital Value-based rates ■ Variable

**NEW CLIMATE CHANGE TARGETED RATE
COMMUNITY FACILITIES TO CV 2024/25**



■ Fixed charges ■ Land valued-based rates ■ Capital Value-based rates ■ Variable

Rating system review

Recommendation

- Option 2:
 - Moving rates requirement for Climate Action from the Districtwide General land value rate to a targeted districtwide rate based on capital value
 - Changing the community facilities rate to a rate based on capital value will move our system significantly away from the target equitable rating system, shifting a significant portion of the rating burden from residential and commercial to lifestyle

Water Rates

- No change to fixed and volumetric water rates since 2019/20
- The increase is driven by increased costs including depreciation and interest
 - Water costs are recovered 45%-55% through the water fixed and volumetric rates as per Charging Regime Authority Group (CRAG) recommendation
- Summary of water rates charges since 2013/14 below:

	2013/14 (prior to charging by water meter)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 proposed
Fixed charge per SUIP pa	\$ 357.00	\$ 188.50	\$ 190.00	\$ 199.00	\$ 207.00	\$ 215.00	\$ 222.00	\$ 222.00	\$ 222.00	\$ 222.00	\$ 222.00	\$ 277.48
volumetric charge per m3 (1000 litres = 1m3)		\$ 0.95	\$ 0.99	\$ 1.04	\$ 1.09	\$ 1.14	\$ 1.19	\$ 1.19	\$ 1.19	\$ 1.19	\$ 1.19	\$ 1.49
balance of water account		-\$ 648,000	-\$ 1,088,000	-\$ 2,021,000	-\$ 1,925,000	-\$1,235,000	-\$ 740,000	\$ 102,000	\$ 1,079,000	-\$ 1,547,000		

Examples of impact of proposed water rates increase

Household size	Mean Daily Average in m3 (1000 litres = 1m3)	Cost pa 2023/24 (based on 1 SUIP and median consumption)	Cost pa 2024/25 based on proposed fixed and volumetric rates	\$ Increase pa	% increase pa
0	0.000	\$ 222.00	\$ 277.48	\$ 55.48	25%
1	0.356	\$ 376.63	\$ 471.09	\$ 94.46	25%
2	0.479	\$ 430.05	\$ 537.98	\$ 107.93	25%
3	0.589	\$ 477.83	\$ 597.81	\$ 119.98	25%
4	0.671	\$ 513.45	\$ 642.40	\$ 128.95	25%
5	0.726	\$ 537.34	\$ 672.32	\$ 134.98	25%
6	0.781	\$ 561.23	\$ 702.23	\$ 141.00	25%
7	0.822	\$ 579.04	\$ 724.52	\$ 145.49	25%

End