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15/05/24

Enhanced Annual Plan 2024-25.

What are Rates? FAQ's from Enhanced Annual Plan 2024-25

The Council says that "Rates are a Tax based on the value of your land (Land value) or Land and Improvements (Capital value). Rates pay for Services required for the district and represents each Rate payer's contribution towards those Services."

Rates are a charge for Council Services and its Council, which have wrongly stated that rates be based on the value of a rate payers' properties.

There are other options. Water, Wastewater, Refuse and Recycling Collection are not based on the value of a rate payers' property, they are paid by an AGC fixed charge.

Then there is UAGC which can use up to 30% of the rates and UAC if it has a differential, could use for all the rates both are a rate-on-rate able properties, not on value of the rate payer's property. Then there are differentials that could be based on Population as for Masterton and New Plymouth. It is only Council that insists that rates must be based on Capital value of a rate payers' property.

Now with the new Valuations which sees Urban values go up less than Rural e.g., Average Featherston Residential up by 8% and an average Horticultural Vinyard up by about 42%. So, the disproportional amount paid by Rural gets wider, in other words Rural subsidizes Urban to a greater extent.

For the functions funded by the general rate the Capital value portion sees Featherston average residential rates only go up by \$2.00 from \$702 to \$704, compared to the example in the Enhanced Annual Plan Consultation, whereas on average Horticultural Vineyard has gone from \$2585 to \$3394, an increase of \$809. For an average Dairy farm, it has gone up from \$4841 to \$5896, and average increase of \$1055 for the same benefit and the same service as the average Featherston residential gets from the functions funded by the General rate, Capital value portion. *That's the difference between the old valuation and the new valuation.*

In the Consultation for the rates review, the Council stated, "will apply Capital value to the General rate because in its opinion Capital value represents a greater degree of use of Council Services."

The Horticulture Vineyard and Dairy farm have a higher Capital value that the Featherston residential because the business they are in ~~but~~ use no more Council Services than the average Featherston residential property of the functions funded by the General rate.

The reserves and amenities rate should be reinstated as distance from the amenities is also a restriction, the further away from the amenities the less people will travel to it, especially when they have their own. It is wrong that Rural pay 60%+ of the Capital value portion, by doing this the Council are saying Rural us the amenities twice as much as Urban, "that's madness"!!!!

Then came the rest of the functions funded by the general rates, those are functions that are mostly what the community as a whole benefit equally from.

In the rates review consultation it stated, "Community as whole means Residents and Rate payers", that's people, it is appropriate to firstly split the population into Urban and Rural or other categories which would see Urban pay about 66% and Rural pay about 34%, then go to UAC or Capital value?

It should be stated at this point if it stays as Council proposes by Capital value with no differential, then Farmers will pay **40%** of the Capital value portion of the General rate but only have 10-15% of the population and Rural will pay **46%** of the UAGC with only 34% of the population.

Council figures show that Farmers hold about 35% of the Capital value under the old valuation, now with the new valuations with Farm values significantly higher than Urban I predict that Farms will likely be as much as 40% of the Capital value of the District and Rural Capital value could be closer to 70% of the district. Just because Farmers have a large land area for the business they are in, which gives them a large Capital value, which does not translate to a corresponding amount of the Council services of the general rate funded functions.

How can it be fair and equitable for a minority of the community, 10 to 15% (Farmers) pay 40% of the Capital value portion of the general rate, when the benefits are to the community equally? When it comes to UAGC, Council should use the full 30% allowed. Instead, Council have reduced the 30% to 21%, then on top of that reduced the 21% effectively to 9%, by using refuse and recycling collections in the calculation which does not change anything as it is already funded by a fixed charge for those that have the service.

In the Rates review consultation it stated, "That benefits of almost all Council Services and activities accrues to all properties equally therefore Council consider all properties should contribute a relatively similar level regardless of the value of the property." An average Featherston residential ratepayer paying \$704, and average Horticultural Vinyard paying \$3394 and an average Dairy farm paying \$5896 of the Capital value portion of the general rate is nowhere close to being a similar contribution to those functions funded by the general rate as Council stated.

Why has Council not fulfilled those words but have instead done the opposite? Which sees Farmers paying 40% of the Capital value portions of General rate with only having 10 - 15 % of the population?

One Councilor said that "they can't send Urban broke, and that Farmers can increase their production" Council don't care if they send Farmers broke or sell up and new owners put the land into pine trees or cut it up for lifestyle blocks and increase production at what price? We must deal with weather, price exchange rate and Government regulations etc. A Farmers income is reliant on prices from World markets as 95% of what farmers produce is exported all over the world. Farmers get what is left after farming, processing and transport expenses are paid, farmers can do all the work and end up with a loss, farmers do not have the luxury of a minimum wage.

Urban needs to be exposed to the actual cost of owning a home and there is nothing stopping them from getting another job to pay the rates!!!

	Old c/v	New c/v	% change about.	general rate	general rate excluding MA-GC	10 unit rate excluding 3 water and refuse.	general rate excluding MA-GC X Feather
Featherston av residential	\$471000	\$508000	8%	\$1132	\$704	\$1531	
Greytown av residential	\$725000	\$817000	12.7%	\$1559	\$1131	\$2093	1.6
Marlborough av residential	\$651000	\$775000	19%	\$1501	\$1073	\$2017	1.53
Lifestyle av	1019000	\$1229000	20.6%	\$2130	\$1702	\$2844	2.4
Pastoral av	\$2666000	\$3328000	24.5%	\$5037	\$4609	\$6668	6.6
Dairy av	\$3239000	\$4257000	31.4%	\$6324	\$5896	\$8361	8.4
Horticulture av Vineyards	\$1727000	\$2451000	41.9%	\$3822	\$3394	\$5070	4.8
Forestry av exotic.	\$2826000	\$4195000	48.45%	\$6238 \$6238	\$5810	\$8248	8.3