

# Draft Funding Impact Statement (Rating) for the Year Ending 30 June 2025

## Introduction

Schedule 101(3) of the Local Government Act 2002 requires Council to include a Funding Impact Statement for Rating in its Annual Plan. The following matters cover the specific statements to be provided as set out in Schedule 101(3). This Funding Impact Statement should be read in conjunction with Council's Revenue and Financing Policy.

All figures for rates and charges in this Funding Impact Statement are inclusive of GST.

## Rates for 2024/25

The revenue and funding mechanisms to be used to cover the estimated expenses of the Council for the year ended 30 June 2025 are described in the Revenue and Financing Policy. The specific rating details given in the following pages have been drawn from and are consistent with Council's Annual Plan for 2024/25.

The funding impact statement consists of two sections:

- The Rating System outlines the methodologies and differentials which Council has used to set the rates for the 2024/25 year.
- The Schedule of Rates outlines the rates for the 2024/25 year, including the total amount Council proposes to collect from each rate.

## Rating System

### General Rates

The General Rate, and the Uniform Annual General Charge will be used to fund, or assist with funding, all Council activities other than those funded by way of targeted rates.

### General rates based on property value

General rates are set, based on capital value of rateable properties, to fund Council's general activities.

South Wairarapa District Council's General Rate does not have any differentials, i.e., every rateable property in the district is rated the same amount per dollar of capital value.

Property values are included in the rating information database (RID), which is available at our Martinborough office, or on our website.

### Uniform Annual General Charge (UAGC)

The Council proposes to set a Uniform Annual General Charge (UAGC) on each SUIP on every rateable rating unit.

This rate is set at a level designed to ensure that the total of the UAGC and other applicable uniform rates does not exceed the threshold allowed under Section 21 of the Local Government (Rating) Act 2002 of 30%. For the 2024/25 rating year the total applicable uniform rates make up 21% of total revenue from all rates.

## Targeted Rates

### Economic Development

The Council proposes to set a targeted rate to fund economic development activities in the district. The rate will be based on the capital value of each rating unit where land use is categorised as commercial, and rating units where short stay accommodation is provided.

There are no differentials on the rate.

Short stay accommodation is a property where accommodation is provided in the sole dwelling, or a separate dwelling from the primary dwelling, that is not under a residential tenancy agreement.

Examples may include:

- One or more dwellings used for paid accommodation, on a property where the sole use of the property is for that purpose, i.e. no owner/operator also living onsite, or other use.
- One or more dwellings used for paid accommodation, on a property where owner/operator does also live onsite as their home.
- One or more dwellings used for paid accommodation, on a property where owner/operator does not also live onsite, but the property is mainly used as a farm, vineyard, or other use.

No lump sum contributions will be invited in respect of this targeted rate.

### Infrastructure Resilience

The Council proposes to set a targeted rate to build a reserve that can be used to repair or replace infrastructure damaged in emergency events in the district. The rate will be based on the rateable capital value of each rating unit in the district. The rate will be set on a differential basis according to land use as described below.

The infrastructure resilience differentials are:

Differential	Basis of Assessment	Differential Matter
Infrastructure Resilience - General	Per \$ of capital value	Land use
Infrastructure Resilience - Exotic Forestry	Per \$ of capital value	Land use

No lump sum contributions will be invited in respect of this targeted rate.

### Refuse & Recycling

The Council proposes to set a uniform targeted rate on each SUIP (on every rateable rating unit) to fund rubbish collection & disposal, and recycling. The rate will apply to properties where the Council provides, or is able to provide, refuse collection or use of disposal facilities.

Additional bin rate: In addition to the uniform targeted rate, where the ratepayer has requested additional recycling bins an additional full targeted rate will be assessed in respect of every additional bin requested.

No lump sum contributions will be invited in respect of this targeted rate.

### Footpaths

The Council proposes to set a targeted rate to fund maintenance of footpaths in the district. The rate will be based on the rateable capital value of each rating unit in the urban zones of the district, according to the district plan.

There are no differentials on the rate.

No lump sum contributions will be invited in respect of this targeted rate.

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## Roading

The Council proposes to set two targeted rates the costs of its roading activities.

- A uniform targeted rate on each SUIP (on every rateable rating unit) to fund 30% of roading activities in the district.
- A targeted rate, based on the rateable capital value, to fund 70% of roading activities in the district. The rate will be set on a differential basis according to land use as described below.

The roading rate differentials are:

Differential	Basis of Assessment	Differential Matter
Roading - General	Per \$ of capital value	Land use
Roading - Exotic Forestry	Per \$ of capital value	Land use

No lump sum contributions will be invited in respect of this targeted rate.

## Stormwater

The Council proposes to set a targeted rate to fund urban stormwater activities in the district. The rate will be based on the rateable capital value of each rating unit in the urban zones of the district, according to the district plan.

There are no differentials on the rate.

No lump sum contributions will be invited in respect of this targeted rate.

## Water Supply

Council proposes to set uniform targeted rates for water supply activities in the district. The rates will be set differentially based on the provision or availability of service.

Differential	Basis of Assessment	Differential Matter
Water Supply - serviced	100%	Per SUIP that is connected, either directly or indirectly, to any of the District's public reticulated water supply systems
Water Supply - serviceable	50%	Per rating unit that is capable of being connected to a public reticulated water supply system but is not so connected. <sup>1</sup>

## Water Supply by Meter

An additional targeted rate is proposed where the volume exceeds 350 m<sup>3</sup> per year for all metered connections. This charge will be \$1.84 per m<sup>3</sup> for the 2024-25 year. The aforesaid volume will be reviewed as and when required in future.

<sup>1</sup> Capable of connection means that rating unit is not connected to a public reticulated water system, but is within 100 metres of the reticulation, within an area serviced by a water scheme and Council will allow the rating unit to connect.

No lump sum contributions will be invited in respect of this targeted rate.

## Wastewater

Council proposes to set uniform targeted rates for wastewater activities in the district. The rates will be set differentially based on the provision or availability of service.

Differential	Basis of Assessment	Differential Matter
Wastewater - serviced	100%	Per SUIP that is connected, either directly or indirectly, to any of the District's public reticulated wastewater systems
Wastewater - serviceable	50%	Per rating unit that is capable of being connected to a public reticulated water supply system but is not so connected. <sup>2</sup>

**Additional pan rate:** In addition to the differential rate, where the total number of water closets or urinals connected either directly or indirectly in a rating unit exceeds two per SUIP an additional targeted rate will be assessed in respect of the third and every subsequent water closet or urinal (pan) in the rating unit after the first two per SUIP set at 100% of the differential rate value.

No lump sum contributions will be invited in respect of this targeted rate.

## Water Races

Council proposes to set a targeted rate to fund the costs of rural water races. The rate will be based on the rateable land value of each rating unit in the district that is serviced, or capable of being serviced, by the water races. The rate will be set on a differential basis according to each scheme as described below.

Differential	Basis of Assessment	Differential Matter
Water Races - Longwood	Per \$ of land value	Provision or availability
Water Races - Moroa	Per \$ of land value	Provision or availability

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<sup>2</sup> Capable of connection means that rating unit is not connected to a public wastewater system, but is within 100 metres of the reticulation, within an area serviced by a wastewater scheme and Council will allow the rating unit to connect.

## Definitions and Notes

### Separately Used or Inhabitable Part of a Rating Unit

The following definition applies to the levying of all rates by the SWDC where the Council has determined that the rate shall apply to each separately used or inhabitable part (SUIP) of a rating unit.

A SUIP includes any portion of rating unit used by the owner, or a person other than the owner, who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

It includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

A rating unit that has a single use or occupation is treated as having one SUIP.

Identification of “dwellings” is taken from the nature of improvements provided by Council’s Valuation Service Provider, Quoteable Value (QV), and includes but is not limited to dwelling, granny flat, bach, cottage, flat. Further clarification can be sought from QV on studio, sleepout, or others if required.

For water supply and wastewater targeted rates, SUIP is not dependent on a separate connection being in place. If there are separately used or inhabitable parts of rating units, these will be charged as separate targeted rates.

For the refuse & recycling targeted rate, each SUIP that can be serviced by the refuse and recycling service will be charged as separate targeted rates. If additional recycling bins are requested by the ratepayer, each additional bin will attract an additional targeted rate.

### Differential Matters

Schedule 2 of the Local Government (Rating) Act 2002 lays out the matters that may be used to define categories of rateable land. The matters used by Council to set differentials in South Wairarapa are:

- The use to which the land is put.
- The provision or availability to the land of a service provided by, or on behalf of, the local authority.
- Where the land is situated.
- The capital value of the land.
- The land value of the land.

### Notes in relation to land use differentials

Notwithstanding the above, Council retains the right to apply a different differential where it can be demonstrated, to its satisfaction, that the actual use of the entire rating unit differs from that described by the current land use code as assessed by Council’s valuation service provider, Quoteable Value.

Council also reserves the right to apply a different differential to any SUIP if it can be demonstrated, to its satisfaction, that the actual use of that part differs from that described by the current land use code for the entire rating unit.

For Council to be able to apply two or more differentials to a single rating unit the area of the land that is used for each purpose must be capable of clear definition and separate valuation.

In some instances, there may be two or more different uses taking place on the rating unit, but it is not possible or practical to define the areas separately. In those instances, the differential category will be based on the 'highest and best use' applied by the Council's valuation service provider and the rates are set accordingly.

Where the area of the land used for the different purpose is only minimal or cannot be separately defined, Council reserves the right not to assess that part using a different differential.

In every instance where Council proposes to change the differential on a rating unit from one category to another category it will advise the owner concerned and give them the opportunity to lodge an objection to that proposal.

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## Schedule of Rates for 2024/25

The following tables set out the indicative rates for the 2024/25 rating year, and the total amount Council proposes to collect through each rate.

Please note that all rates are stated inclusive of GST.

### General Rates

Rate	Basis of Assessment	Differential Matter	Rate	Total Rate
Uniform Annual General Charge	Per SUIP <sup>1</sup>	None	\$428	\$3,175,776
General Rate	Per \$ of capital value	None	\$0.00138490	\$10,631,946

<sup>1</sup> Per SUIP – Separately Used or Inhabitable Parts of a rating unit

### Targeted Rates

Rate	Basis of Assessment	Differential Matter	Rate	Total Rate
Economic Development	Per \$ of capital value	Land Use	\$0.00137562	\$313,946
Infrastructure Resilience - General	Per \$ of capital value	Land Use	\$0.00004377	\$333,983
Infrastructure Resilience - Exotic Forestry	Per \$ of capital value	Land Use	\$0.00021885	\$11,017
Refuse & Recycling	Per SUIP <sup>1</sup>	None	\$555	\$2,708,828
Footpaths	Per \$ of capital value	Location	\$0.00004364	\$124,316
Roading - Uniform Rate	Per SUIP <sup>1</sup>	None	\$177	\$1,311,505
Roading - General	Per \$ of capital value	Land Use	\$0.00039322	\$3,000,792
Roading - Exotic Forestry	Per \$ of capital value	Land Use	\$0.00117966	\$59,387
Stormwater	Per \$ of capital value	Location	\$0.00030641	\$872,337
Water Supply - serviced	Per SUIP <sup>1</sup>	None	\$1,293	\$5,953,787
Water Supply - serviceable	Per rating unit	None	\$647	\$117,017
Water Supply - usage charges	Per m <sup>3</sup> over 350m <sup>3</sup>	None	\$1.84	\$132,000
Wastewater - serviced	Per SUIP <sup>1</sup>	None	\$1,022	\$4,816,505
Wastewater - serviceable	Per rating unit	None	\$511	\$103,222
Water Races - Longwood	Per \$ of land value	None	\$0.00134059	\$99,000
Water Races - Moroa	Per \$ of land value	None	\$0.00028955	\$107,250

<sup>1</sup> Per SUIP – Separately Used or Inhabitable Parts of a rating unit