

Rates News

Explaining Your Rates

2007/2008 Instalment 1

Welcome to Rates News – Wellington City Council's financial newsletter that tells you how the Council is spending your rates and looking after the city.

Your rates assessment

You will find attached the annual rates assessment notice for your property for 2007/08 and an invoice for the first of the four instalments you will receive in the next 12 months.

Also attached is the assessment notice for the Greater Wellington Regional Council as Wellington City Council also collects rates on its behalf.

Payment of the first instalment is due on 1 September. Please refer to the back of your rates invoice for payment options and other details about your rates.

Wellington City Council rates

For 2007/08 the Council will collect a total of \$216 million in rates to help provide the city's services and activities. This equates to a total increase in overall rates of 5.8% (4.3% after accounting for growth in the ratepayer base).

For the average residential ratepayer this increase equates to an additional \$1.90 per week.

In agreeing to this increase the Council has attempted to balance the demands of the community for existing, new and improved services against a desire to minimise the overall impact of rates increases on ratepayers.

To help achieve this we have also ensured that, where appropriate, users of Council services continue to directly contribute their share of the cost of the activity through user charges. As a result there have been some fee increases in activities such as swimming pools, libraries and marinas.

Rates increases for individual properties

The average capital value for a residential property in the city is about \$468,000. The rates on this property for 2007/08 will be about \$1,700. Rates for your property will be higher or lower than this depending on the value of your property.

The rateable value of an average residential property in Wellington City has increased 10% in value since 2006/07. It is important to note that an increase in the capital value of properties in the city does not mean that the Council automatically collects more rates – in other words the Council has not increased its rates budget for 2007/08 by 10 percent. We set the overall level of rates to cover the operating expenditure of the Council less any external direct income we receive. We then use, in most cases, the capital value of all properties to allocate the rates requirement.

Indicative residential property (without a water meter)

2007/2008	2007/08 Percentage change in capital value from last year				
Capital Values	Rates	5%	10%	15%	20%
\$	\$	Expected percentage change in rates			
200,000	858	2%	5%	9%	13%
300,000	1,175	2%	6%	10%	14%
400,000	1,492	2%	6%	11%	15%
500,000	1,808	2%	6%	11%	15%
600,000	2,125	2%	7%	11%	16%
700,000	2,442	2%	7%	11%	16%
800,000	2,758	2%	7%	11%	16%
900,000	3,075	2%	7%	12%	16%

The table to the left shows the indicative 2007/08 rates for residential properties.

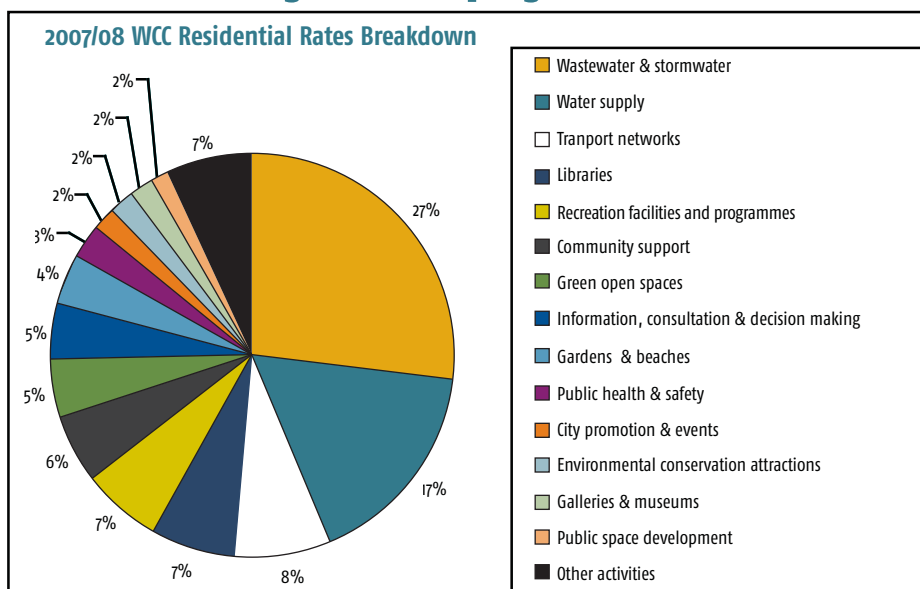
The Rates are for Wellington City Council only and exclude the Rates required by Greater Wellington Regional Council.

The rates increase for an individual property will depend on:

- The overall increase in the Council's rateable budget
- Any changes in the rates differential or uniform rates applying to that property
- The growth in the number of rateable properties in the city (e.g. due to construction of new houses, apartments and business premises)
- The change in a particular property's capital value compared to the average change in capital value for other properties.

You can find out the rates payable on any property simply by entering the property address into the property search option on the Council's website.

What do my rates pay for?



The chart to the left provides a breakdown of what rates paid by residential ratepayers are used for.

The provision of sewerage, storm water, water supply and transport networks make up over 50% of the residential rates bill.

2007/08 WCC Residential rates breakdown				
(based on a property with a capital value of \$468,000 without a water meter)				
Activity cluster	Rates/year	Rates/week	Rates/day	%
Wastewater and stormwater	\$4.88	\$9.38	\$1.34	29%
Water Supply	\$3.08	\$5.93	\$0.84	18%
Transport networks	\$1.40	\$2.69	\$0.38	8%
Libraries	\$1.20	\$2.30	\$0.33	7%
Recreation facilities and programmes	\$1.16	\$2.24	\$0.32	7%
Community Support	\$1.00	\$1.93	\$0.28	6%
Green open spaces	\$0.84	\$1.61	\$0.23	5%
Information, consultation and decision making	\$0.82	\$1.58	\$0.23	5%
Gardens and beaches	\$0.70	\$1.35	\$0.19	4%
Public health and safety	\$0.50	\$0.96	\$0.14	3%
City promotion and events	\$0.38	\$0.74	\$0.11	2%
Environmental conservation attractions	\$0.37	\$0.71	\$0.10	2%
Galleries and museums	\$0.31	\$0.60	\$0.09	2%
Public space development	\$0.28	\$0.55	\$0.08	2%
Other activities	\$0.14	\$0.27	\$0.04	1%
Total Rates	\$1,708	\$32.84	\$4.68	100%

The table to the left shows a breakdown of the rates payable on a property with an average capital value of \$468,000. Rates for the average residential property equate to about \$4.70 per day. Your rates will be higher or lower than this depending on your property's value, although the percentage of your rates spent on each activity will be about the same.

Full details of the Council's budget – the Annual Plan – for 2007/08 is available on the Council's website www.Wellington.govt.nz

For any further information on your rates bill, feel free to contact the Council on 04 499 4444 or email rates@wcc.govt.nz