

YOUR NEW RATES EXPLAINED

New rates bills will start arriving in Aucklanders mailboxes this week. North Shore, Waitakere and Rodney households are expected to receive the bills on Thursday and the rest of Auckland next week. They reflect a change to a single rating system for the Super City and have gone up for some ratepayers and down for others.

WHY IS THE SYSTEM CHANGING?

The Auckland Council is merging the different systems of eight former councils into one Super City system, and changing the way property is rated. Mayor Len Brown's budget has set an overall 3.6% rates rise from July 1 and 4.9 per cent in the following years.

SOME PEOPLE WILL PAY MORE THAN 3.6% AND SOME PEOPLE WILL PAY LESS. WHY?

Former councils set rates differently. Moving from eight systems to a single system creates "winners" and "losers".

How will the council manage the rises and falls?

Household rate increases will be capped at 10% a year for three years and decreases at 5.6% this year, 3.8% next year and 3.7 per cent in year three. The council will then review the policy for households still due further increases or decreases. Businesses will move from their old rates to new rates over three years.

WHAT FACTORS COME INTO PLAY WHEN SETTING RATES?

UNIFORM ANNUAL GENERAL CHARGE

Sounds ominous. What's that?

A fixed rate applied to every rateable property to make sure all ratepayers pay a minimum for services.

Did we have one of those before?

Yes, they ranged from \$308 under the former Auckland City Council to \$831 under the former North Shore City Council.



What happens in the new system?

Council officers found a \$450 charge was close to the average under the previous councils, but Mr Brown and a majority of councillors opted for a charge of \$350.

Why was that?

To support low-income households who benefit from a low uniform charge. A high charge benefits people living in high-value properties.

PROPERTY VALUATIONS

What was the old system?

The former councils rated properties using different methods. All properties are now required by law to be rated on capital value, based on a combination of land and property value.

What's happened?

All 516,000 properties in Auckland were revalued last year, and most values moved by plus or minus 10%. Some values went up by as much as 18% in Grey Lynn and Westmere. Pt Chevalier, Western Springs, Kingsland and Sandringham went up 13%.

DIFFERENTIALS

What are these?

Councils set different general rates for different groups – eg, businesses pay more than homeowners, and urban homeowners pay more than rural homeowners.

Will they affect me?

For every \$1 collected from urban households, urban businesses will pay \$2.63 and rural businesses will pay \$2.37. The differential for urban businesses will be cut by 10 cents every year to reduce it to \$1.63 after 10 years.

What if I live in the wilds?

For every \$1 collected from households, rural homes will pay 90c. Rural farms and lifestyle blocks will pay 80c, to reflect the lower levels of service they receive.



WHAT IS HAPPENING WITH WATER AND WASTEWATER

The price of drinking water is increasing by 3.3% – from \$1.30 per 1000 litres to \$1.343.

What is changing with wastewater charges?

Former councils had varying charges – from fixed fees included in rates to metered charges.

What will change?

From now on, most households will pay a fixed charge of \$190 plus \$2.28 per 1000 litres of water. The wastewater charge is based on 78.5 per cent of water that enters a home and reflects

the amount of water that does down the drain via showers, washing machines, toilets, sinks etc.

What if my house does not have a water meter?

You will be charged a fixed charge of \$582 a year.



WHAT ABOUT WASTE COLLECTION?

Unlike a single rating system, Aucklanders will continue to pay for rubbish according to the system used by former councils.

REBATES

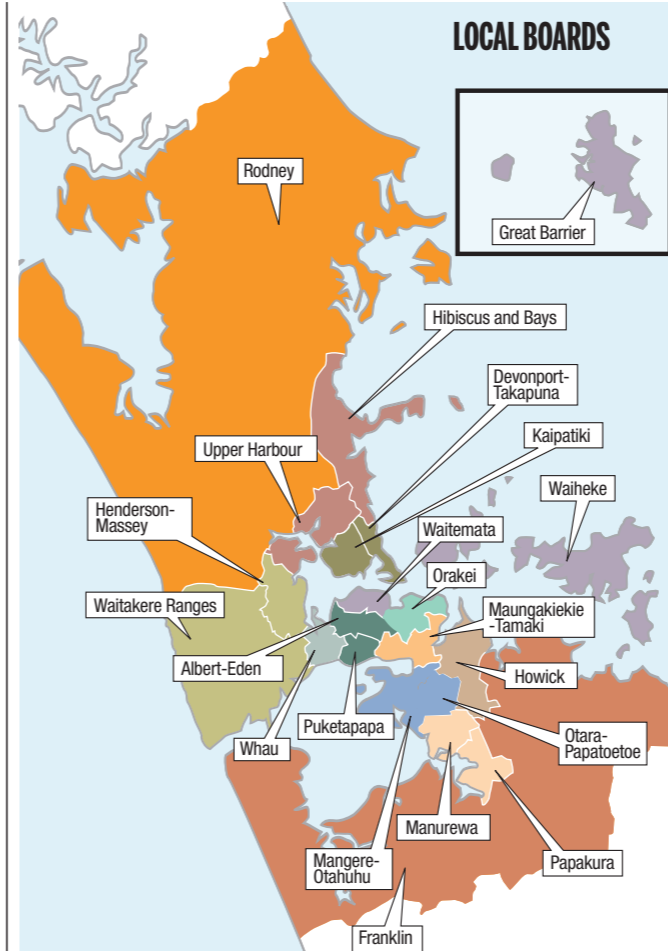
People on low incomes qualify for a rates rebate of up to \$580. People with a licence to occupy units in retirement villages can apply for a rates remission.

DISCOUNTS

People who pay their rates in full at the first instalment will receive a 1.2 per cent discount.

Is that a good deal?

The discount is below the 4.2 per cent they would get if they put the money in the bank.

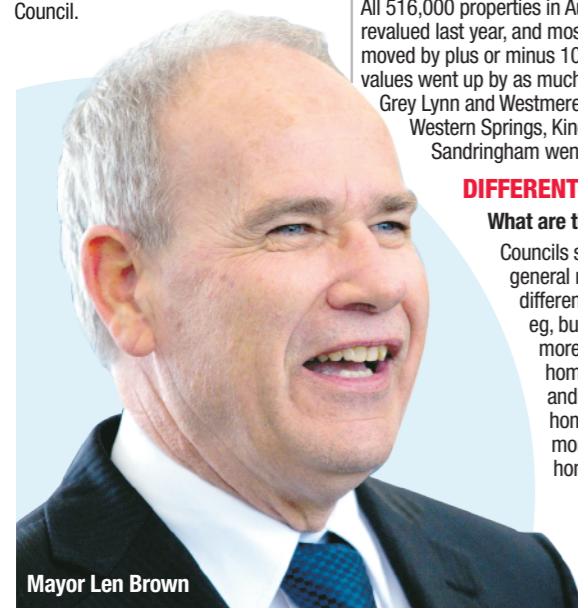


WINNERS AND LOSERS

(Rates increases or decreases and how many households are affected)

LOCAL BOARD	AVERAGE INCREASE/DECREASE	0-10% INCREASE*	0-5.6% DECREASE*
Albert-Eden	+8.4%	28,480	1826
Devonport-Takapuna	+4.5%	13,653	6647
Franklin	-2.4%	2726	12,377
Great Barrier	-0.7%	373	470
Henderson-Massey	-2.4%	1470	31,279
Hibiscus and Bays	+1.8%	17,918	14,662
Howick	+6.9%	37,993	1148
Kaipatiki	+3.3%	18,399	9015
Mangere-Otahuhu	-0.2%	6703	9112
Manurewa	+0.6%	9669	11,632
Maungakiekie-Tamaki	+7.8%	21,175	1328
Orakei	+7.7%	27,621	1664
Otara-Papatoetoe	-1.8%	2085	16,116
Papakura	-3.9%	1675	12,865
Puketapapa	+8.8%	15,364	460
Rodney	-0.1%	4272	7519
Upper Harbour	+4.3%	10,637	4483
Waiheke	+7.4%	5097	616
Waitakere Ranges	-2.4%	2740	12,498
Waitemata	+1.7%	16,396	19,023
Whau	-2.4%	11,411	10,535

*Number of households



Mayor Len Brown