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PAPAIOEA
PALMERSTON
NORTH
CITY



PUKATOHU REITI 2022 RATES GUIDE 2022

Ngā kōrero katoa mō ngā reiti i Papaioea

All you need to know about rates in the city

Finalising the Budget in uncertain times

Kia ora

Ongoing impacts of COVID-19, the shortage of staff and contractors, supply chain issues, higher inflation and costs than predicted and increasing interest rates are hitting Councils across the country. The other factor Palmerston North is facing is the recent revaluations in our city, which have seen land values increase by more than 100 per cent in some areas, resulting in potentially significant rate increases for many of our homeowners.

Our residents and businesses are telling us they're struggling, and we're also facing the same pressures when it comes to maintaining our services. It's a catch 22.

People often like to say that Council doesn't listen to the voices of their community. But this year's Annual Budget shows this couldn't be further from the truth.

During April we consulted with our community on our budget and a proposed increase of 8.3 per cent in the total rates required to fund it. We had more submissions than we've received before on an Annual Budget and in late May spent three days hearing from submitters, and then 15 hours debating the proposed budget. We listened and we acted.



We looked programme by programme and cut or deferred work where possible. We made a significant number of changes and got the increase in the total rates down to 5.8 per cent. In an effort to further moderate the rates increases for some residential ratepayers brought on by revaluations we also decided to make two further changes to the structure of the rating system.

Despite these changes some people will still have significant rate increases. But we've tried our hardest to make the distribution fairer and to cut non-essential work.

These are challenging times. Our community can take heart that we'll continue to deliver key services and strive to meet our strategic goals, with some non-essential things on the backburner for now, as we adjust to the current challenges we all face.

Ngā mihi nui,

Grant Smith JP
Mayor

The Annual Budget determines how much is needed to run our city's services and facilities

Council's Annual Budget decides the work we'll do for the year ahead, how much this is likely to cost, and the total amount of revenue (including rates) needed to pay for it.

Rates are calculated partially based on the land value of properties within the city and whether they're used as residential, commercial/industrial or rural properties. In general, the higher the value, the higher the rates.

Building and maintaining infrastructure and delivering services to an entire city costs a lot of money. Charging rates is one way we pay for these services. If you own property in the city, you'll pay rates on it. If you're renting, the cost of rates will be part of your rent.

How much each property owner pays also depends on types of services the property uses. For example, if you're connected to the city drinking water and wastewater systems, you'll pay for those. If you live in the country and have your own water supply, you won't.

There are different types of rates

Targeted rates

Targeted rates are paid by ratepayers who receive a specific service – for example:

- Drinking water for properties connected to the city supply
- Wastewater treatment and discharge for those connected to the city's network.
- Kerbside recycling

General rates

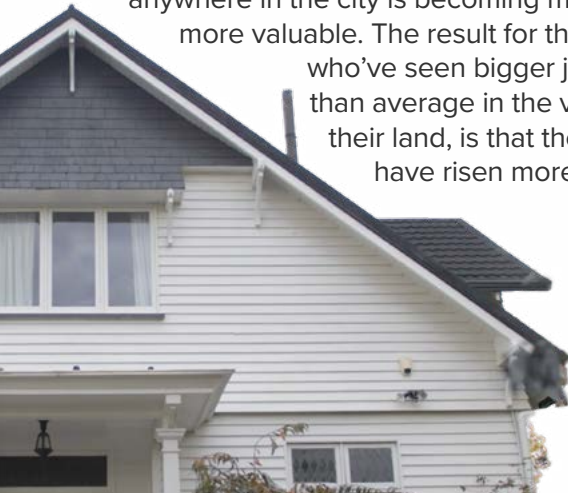
General rates are paid by all ratepayers to fund services provided by the Council not covered by a specific fee (e.g. for building or resource consents, dog registration or parking) or targeted rate. These services include things like:

- Parks
- Libraries
- Pools
- Emergency management (Civil Defence)
- Community services
- Cultural facilities
- Roads and footpaths
- Street cleaning
- Stormwater

The valuation of your property is a major factor in how much you pay

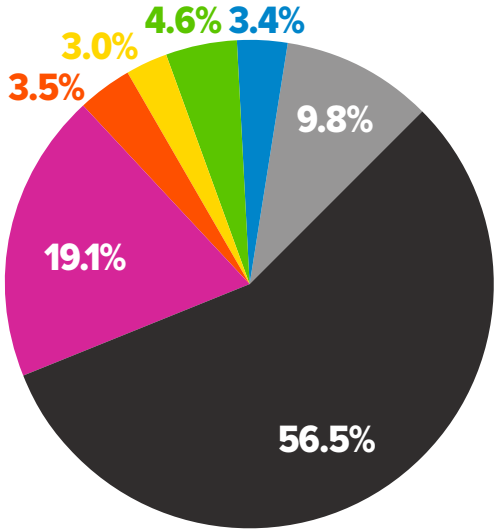
New Zealand's rating legislation requires councils to revalue properties every three years and use these values as a partial basis in calculating rates for each individual property. The value of Palmy's properties is set by independent valuers QV. The most recent citywide revaluation was as at 1 September 2021. This will be used to calculate rates from 1 July 2022. Through the Annual Budget process the Council decides how much funding we need to run Council's services for the financial year and how these costs will be proportioned out through the rating system.

The most recent valuations have seen the land value of Palmy properties (particularly residential ones) nearly double on average. Some have risen more than this, reflecting the fact that land anywhere in the city is becoming more and more valuable. The result for those who've seen bigger jumps than average in the value of their land, is that their rates have risen more too.



Rates pay for around 76% of running Palmy

Rates are an important part of how we fund our city, but we don't rely on rates alone. We also get revenue from a range of other areas. The chart below shows the percentage they contribute to running our city's services and facilities.



- General rates (incl. UAGC)
- Targeted rates
- Subsidies and grants (incl. Waka Kotahi)
- Rentals
- Regulatory user fees and charges
- Parking
- Other

We've done as much as we can to reduce the impact on your rates

Following the consultation for the Annual Budget, Council deliberated and made a number of changes to the proposed budget to reduce the impact on homeowners. While this will see a drop in what had been proposed, some residents will still be facing significant increases due to the new valuations.

We'll be asking you about CV vs LV soon

Palmy uses land value, rather than capital value to determine rates. Council is investigating whether to move to a capital value based assessment. As part of this we'll be engaging with you to get your thoughts and feedback. We want you to have really clear information on both options and their possible impacts on you, so we'll be crunching the numbers and seeking your feedback later this year, or during 2023. Any changes made to the rating system we use will need to be approved as part of our Ten Year Plan in 2024.

Key dates for your rates



Instalment	Invoice date	Due Date
One	1 August 2022	26 August 2022
Two	1 November 2022	25 November 2022
Three	1 February 2023	24 February 2023
Four	1 May 2023	26 May 2023

Make sure you pay on time

Rates that are not paid by the due date have a penalty charge of 10 per cent added. If you are having difficulty paying your rates please call us to discuss.

You can pay your rates in a range of ways

- Direct debit
- Automatic payment
- Internet or phone banking
- Credit/debit card
- In person

Get your rates by email instead!

Want to help the environment and cut the paper waste? Get your rates invoice sent straight to your email inbox by filling in the simple form at pncc.govt.nz/erates

You might be able to qualify for a rates rebate, remission or postponement

Residential ratepayers on low incomes may be eligible for a rates rebate of up to \$700 for the year. Homeowners who earned less than \$28,080 in the year ended 31 March 2022 may be able to qualify. There is also a wider range of criteria that you may qualify for. For example, you may be able to get a rebate on a higher income if you have dependants, or if your rates are very high. To learn more go to ratesrebates.govt.nz

Community organisations may qualify for a rates remission if they meet a series of policy criteria. Individuals facing severe financial hardship may qualify to have a portion of their rates postponed but this is a last resort approach and involves costs. We encourage you to discuss your position with our staff as soon as possible so we can investigate options with you.

You can look up the Rates section on our website or contact our call centre for more details.

Making it easy

Our Palmerston North City Council website is your one-stop shop to save time and get things done online. You can pay your rates, parking tickets, dog registration and for many other things by visiting pncc.govt.nz/onlinepayments

It's also where you can find out the rubbish and recycling days for your street, keep up with our latest news and use the 'My Area' tool to search parks, reserves and other great council facilities nearest you.

You can also report any issues or give us feedback at pncc.govt.nz/contact-us or use our Snap, Send, Solve app on your mobile phone.

If you'd like to talk to someone in person our Customer Contact Centre is open 24 hours, every day of the year. Call us anytime on **(06) 356 8199**.

Ministry of Health Water Notice



We have some of the cleanest drinking water in the country. Despite this, some plumbing fittings in New Zealand have the potential to allow minute traces of metal to accumulate in the water sitting in pipes overnight. The health risk is very low, but the Ministry of Health recommends all homes flush a cup of water from all drinking water taps each morning.



Te Kaunihera o Papaioea
Palmerston North City Council

pncc.govt.nz / info@pncc.govt.nz / 06 356 8199