4. Move away from scheme-based capital rates for water and wastewater.

At the moment, the cost of these water services is covered by those who are connected. Some of these schemes serve a small number of users and are very expensive to build and run. We think that getting rid of the scheme-based targeted “capital” rates might be more affordable, with everyone sharing the cost of these services regardless of the scheme. The “one network” approach better spreads the cost. By sharing the load for those who benefit from piped water, whether for drinking or waste treatment, we support diverse communities, which makes the Far North a great place to live.

5. Reduce the water and wastewater availability charge.

There are some people who could connect to water and wastewater networks but choose not to, so they are charged an availability rate. The availability rate is currently the same as the connected rate. We propose reducing the availability charge by 40%. This allows us to maintain capacity for the connection should it be needed later.

6. Introduce a small public good charge for water and wastewater to every rateable property.

This recognises that those who are not connected to a scheme still benefit from reticulated systems either through buying potable water by tanker or emptying septic tanks into sewage plants. We propose $15 per service, which is $30 per rateable property.

7. Change the stormwater targeted rate so that rating units in the area of benefit cover most of the cost.

We propose that 90% of the stormwater costs be spread across these ratepayers and the remaining 10% be shared across all properties. This recognises that we all benefit, directly or indirectly, from a stormwater network that protects us from flooding.

This is a lot to take on board, and we know that some of these changes will affect some people more than others.

Rates across New Zealand are on the increase in general. We will do our best to keep the Far North an affordable place to live. Right now, we think these proposed changes are the best and fairest options we have.

To see how this affects your rates visit **www.fndc.govt.nz/ratesreview** to try the sample rating information database.

The rates review is one of three significant issues on which we are consulting in the Long Term Plan 2021-31.

We are also consulting on the future of our Housing for the Elderly portfolio and whether we should become a shareholder in Northland Inc to enable sustainable economic development in the Far North.

Visit our website to read the full consultation document, or pick up a copy at any Far North District Service Centre or Library.

Submissions close on Tuesday 6 April

You can email
submissions@fndc.govt.nz
with any questions

Have your say online:
www.fndc.govt.nz/yoursay

Far North District Council
Te Kaunihera o Tai Tokerau ki te Raki

HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people

TE PAE TAWHITI
LONG TERM PLAN 2021—31

He reiti tika rawa; he reiti māmā noa iho

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CREATING GREAT PLACES
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We need a certain amount of money each year to keep the Far North ticking over. This money funds our core public services, such as roading, water supply, wastewater treatment, and community facilities like parks, cemeteries and libraries.

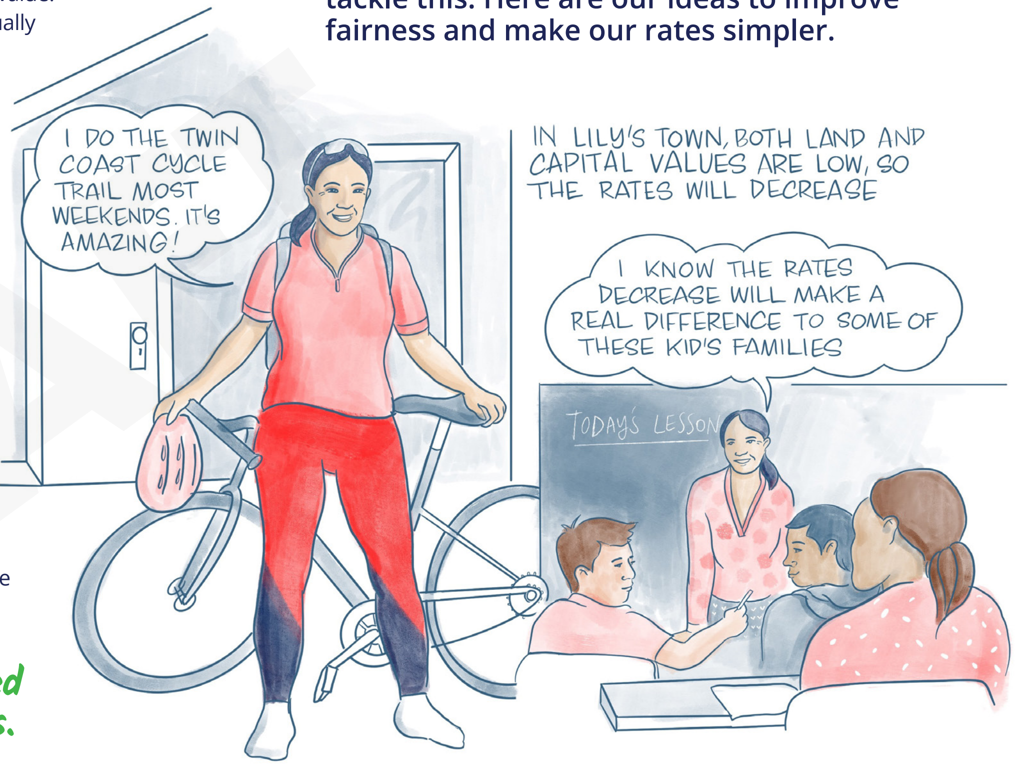
Most of this cost is shared among those who live here, through rates and fees. The rest comes from Government subsidies.

Let's be clear, rates are a tax. It is an amount we contribute to the collective pot to make sure we can live where and how we choose. No ratepayer lives on a desert island, cut off from the rest of the district - we all rely to some extent on "the public good" and benefit from shared services. There isn't a huge population up here, and the people who call the Far North home are spread across a large area. That means we need a lot of services (pipes, roads, treatment plants, parks and so on) for a big place with a small and widely spread number of people.

This leaves us with a problem we refer to as "affordability". There is a risk that it will become too costly for some people to live where and how they choose. We need to think about how we tackle this. Here are our ideas to improve fairness and make our rates simpler.

1. Change to capital value rating.

We must calculate rates using property value. There is no choice in this, it's the law. But we can choose whether we calculate them using your property's land value or its capital value. We propose to change to capital value, with a gradually changing land value differential over the next 10 years. For one year this means 10% of your general rates will be based on capital value. This will gradually increase to 100% in year ten. This does not increase the total amount we receive in rates it just shares it out differently.



2. Remove both flat rates

We charge $450 as a Uniform Annual General Charge (UAGC) and a $100 roading rate that covers things like road safety - a total of $550 per rateable property. A uniform annual general charge (UAGC) is a flat charge, per property and everyone pays the same amount. These flat rates are known as a regressive tax. We think that we should shift these to the General Rate as we believe it is fairer – because the amount you pay is based on the value of your property, which is considered the best measure of a person's ability to pay.

3. Reduce the extra charged to commercial properties.

For every $1 that residents pay, businesses pay $2.75. We all benefit from good commercial services, facilities and activities, as do our visitors, and we do not want to make it harder for businesses to grow. It is already tough. We propose to reduce the commercial rate to $1.75. To make up the difference, we will collect the balance through the General Rate.

Land value

The value of the bare land. This is what we use to calculate rates at present.

Capital value

The value of the bare land plus built "stuff" like fences, buildings, and your home. This is the most popular method for calculating rates across New Zealand.

Regressive tax

A tax applied uniformly. This means it takes a larger percentage of income from low-income earners than from high-income earners. It is the opposite of a progressive tax, which takes a larger percentage from high-income earners.